



2023

SUSTAINABILITY
REPORT



ART INVEST
— REAL ESTATE —



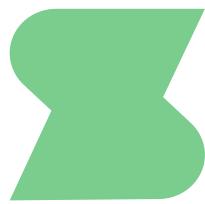
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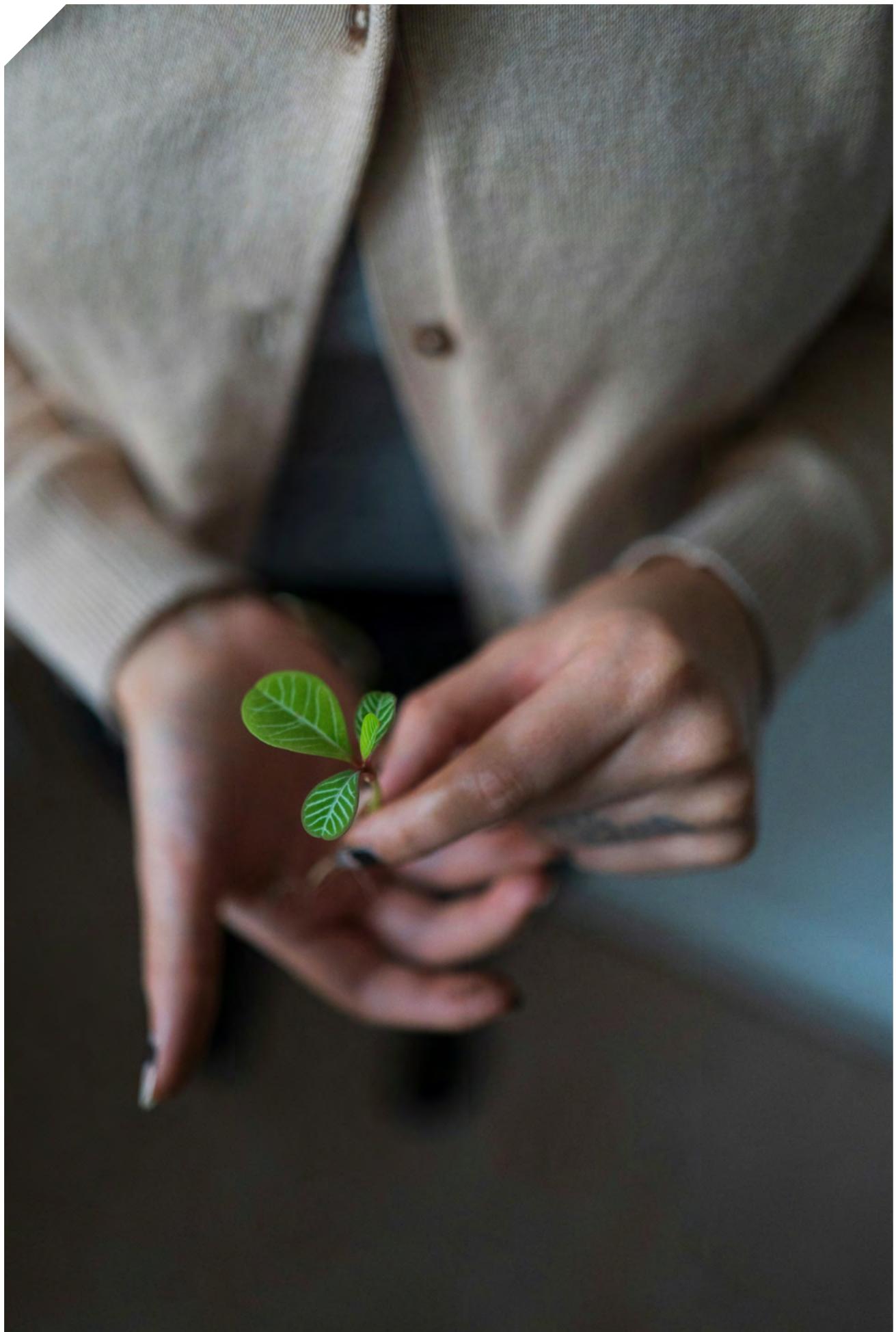
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INTRODUCTION



01



Sustainability for us is not a short-term trend, but an integral part of our company DNA.





1.1 Management Letter

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

The year 2023 set enormous challenges for the real estate industry. Increasing interest rates, volatile markets and tightened regulatory requirements have noticeably changed the environment and increased the need for action. And it is in these very uncertain times that the power of our strategic focus can be seen: Sustainability for us is not a short-term trend, but an integral part of our business model. The latest framework conditions compel us to evaluate decisions carefully and to be courageous at the same time. After all, the change towards more sustainability requires foresight and readiness to tread unconventional paths. We as Art-Invest Real Estate are convinced that sustainable action is not merely a reaction to external requirements, but a key for long-term value retention and resilience. We ask ourselves the provocative question: Can one afford sustainability? Our answer is: What one cannot afford is to forgo it.

The path is not always clear, and there are no easy answers. And yet, this is exactly where our strength lies: We link our tried and tested business model with a focus on stability, which gives our investors the necessary security with the readiness to try out new approaches. Our projects set standards in the field of ESG criteria – whether it is through energy-efficient buildings, the use of regenerative energies or through sustainable urban district developments. These investments in the future are not always easy and often require a longer staying power, but they pay off – economically, ecologically and socially.

Even the conscious handling of data is decisive for our success. The times of relying on mere declarations of intent are gone. We rely on clear KPIs that help us in making our progress measurable and in initiating specific changes. That's the only way we can convincingly take our stakeholders, from investors to employees to partners, credibly on our journey. And in doing this, transparency and clarity are not only empty phrases but established practice.

It is up to all of us to actively tackle the major tasks of the future. At Art-Invest Real Estate, we have decided to keep travelling on this path – with courage, a sense of responsibility and a clear focus on long-term value creation. The challenges are big, but our conviction is even stronger: Sustainability is here to stay. We are ready to make our contribution, and to drive forward the change in our sector with informed decisions.

Let us now all reflect together on what progress we have made in the last year on our sustainability journey. We wish you inspiring insight and a perspective-rich outlook.



Vision and responsibility:
Sustainability as key to
success.



It is up to all of us to actively tackle the major tasks of the future. At Art-Invest Real Estate, we have decided to keep travelling on this path – with courage, a sense of responsibility and a clear focus on long-term value creation.



1.2 Our company profile

Art-Invest Real Estate at a glance



OUR GROUP IN FIGURES:

● **10**

Locations

● **Over 135 properties**

In good locations

● **Total 2.1 Mil. m²**

Leasable area

● **More than 12.5 Bil. €**

assets under management

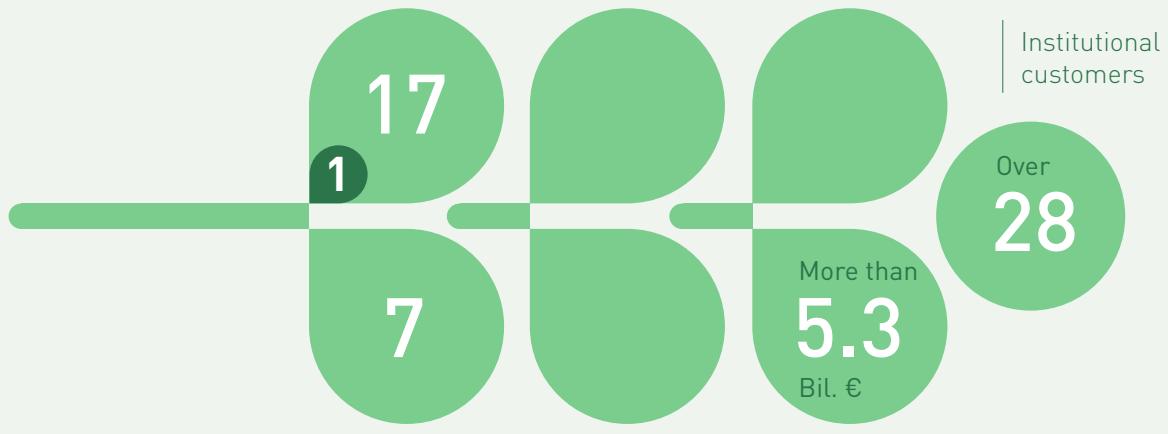
● **315**

Employees

● **Over 600,000 m²**

Under development

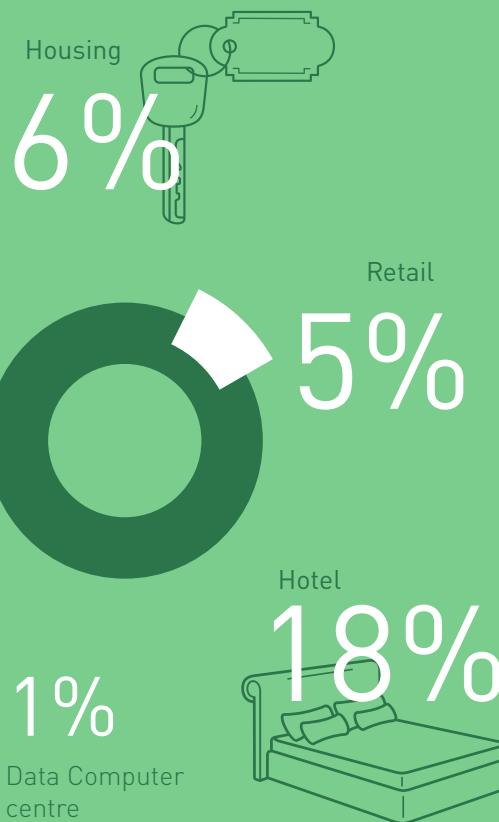
Open regulated investment funds, from
that a fund mandate as per
Article 8 of the Disclosure Regulation



Closed-ended investment limited partnership

Equity commitments
(incl. fund of funds mandate)

TYPES OF USE
(SHARE AS PER ASSETS UNDER MANAGEMENT):

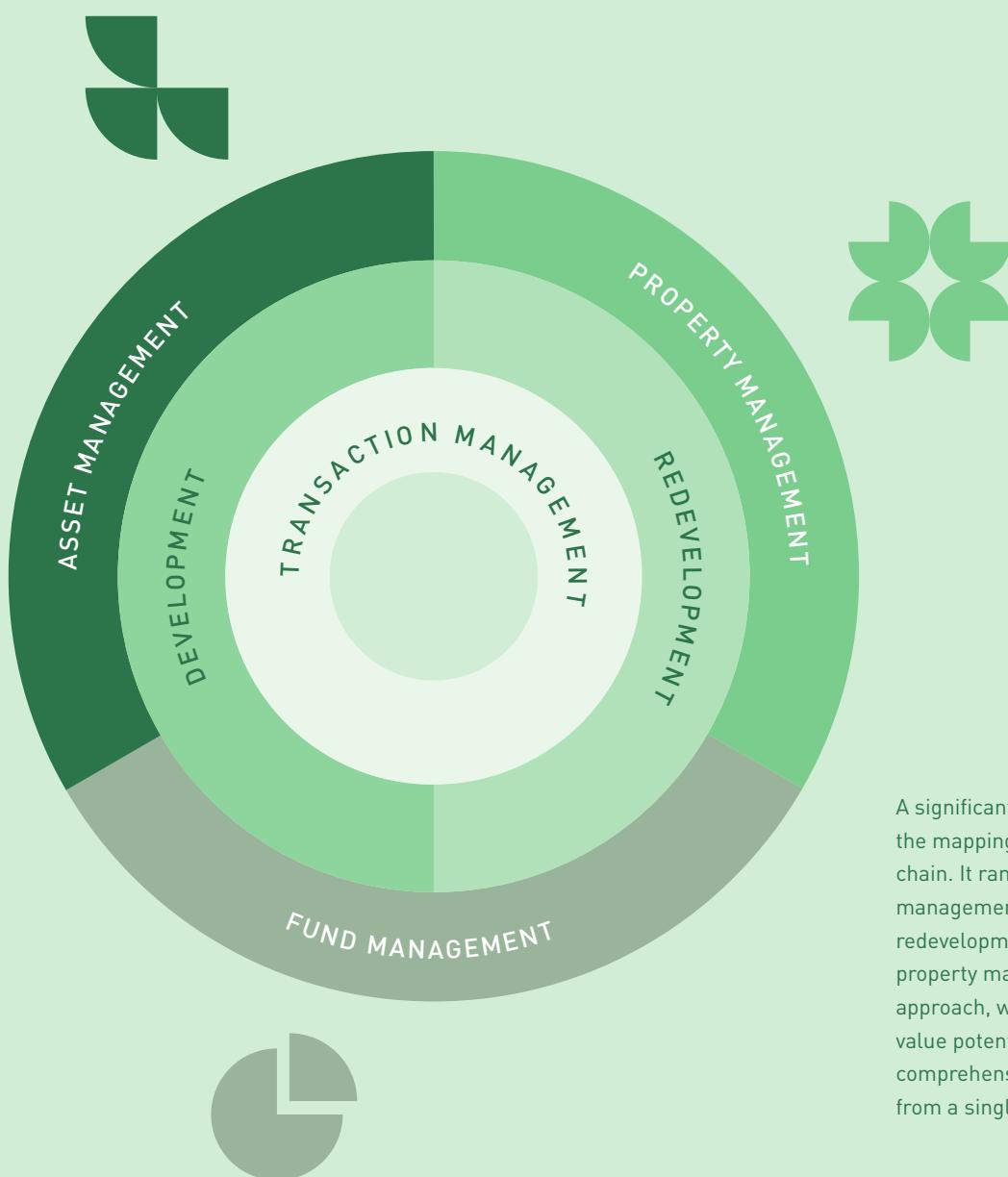




Our business strategy

Art-Invest Real Estate was founded in 2010 by the shareholders and Zech Group. We have since then invested in a wide range of properties including office buildings, city-centre retail, hotels, residential buildings and data centres. Our primary goal is to develop sustainable and future-oriented solutions that can meet economical as well as ecological requirements. Our focus here is not on short-term success but on long-term, sustainable value creation.

We execute unique projects using innovative approaches and strategies, and by involving experts from various areas of expertise. While doing so, we always bear in mind the additional values of our customers and actively contribute towards positive urban development and upgrading of public spaces.



A significant aspect of our success is the mapping of the entire value-added chain. It ranges from transaction management to the development and redevelopment sectors to fund, asset and property management. With this holistic approach, we can optimally exploit the value potential of our portfolios and offer comprehensive services to our customers from a single source.

Our business areas

The Art-Invest Real Estate Group comprises the following companies, among others, as well as various investments along the value-added chain:



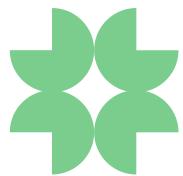
ART-INVEST REAL ESTATE MANAGEMENT GMBH & CO. KG (AIREM)

Art-Invest Real Estate Management GmbH & Co. KG (AIREM), the project developer and asset manager within the group of companies, maps the entire value-added process of a property. It operates as the property transaction manager, lessor, asset manager, project developer and owner.



ART-INVEST REAL ESTATE FUNDS GMBH (AIREF)

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. It is a licensed capital management company in accordance with the KAGB and functions as the trustee for the fund investors.



ART-INVEST REAL ESTATE PROPERTY-MANAGEMENT GMBH (AIRE PM)

Art-Invest Real Estate Property-Management GmbH (AIRE PM) works closely with the asset and fund management departments to manage the portfolio properties of the individual property companies and funds. It acts as the first point of contact for tenants, service providers and distributors, and monitors and implements compliance with any contractual content.



Our philosophy

Our company philosophy is based on the conviction that the exceptional lies beyond the standard. We think beyond the horizon and have the willingness to shift conventional borders. Thanks to our solid financial strength, the innovative technologies of our AIRE Smart Lab and a multitude of strategic investments and

co-operations, we are in a position to identify the hidden potential of projects and to lead them to the path of success in a responsible and sustainable manner. Our investments include, among other things, the provider of technologies for smart buildings 'smartengine | wtec', the cross-industry IT service provider

'MightyCare' as well as the 'White Label' hotel operating company 'The Chocolate on the Pillow Group', which implement various operator concepts.



LOCATION

Environment: Environmental risks

Social: Accessibility & Infrastructure

Governance: Country risks



BUYING & SELLING

Environment:

ESG Due Diligence

Social: ESG Due Diligence

Governance: Compliance

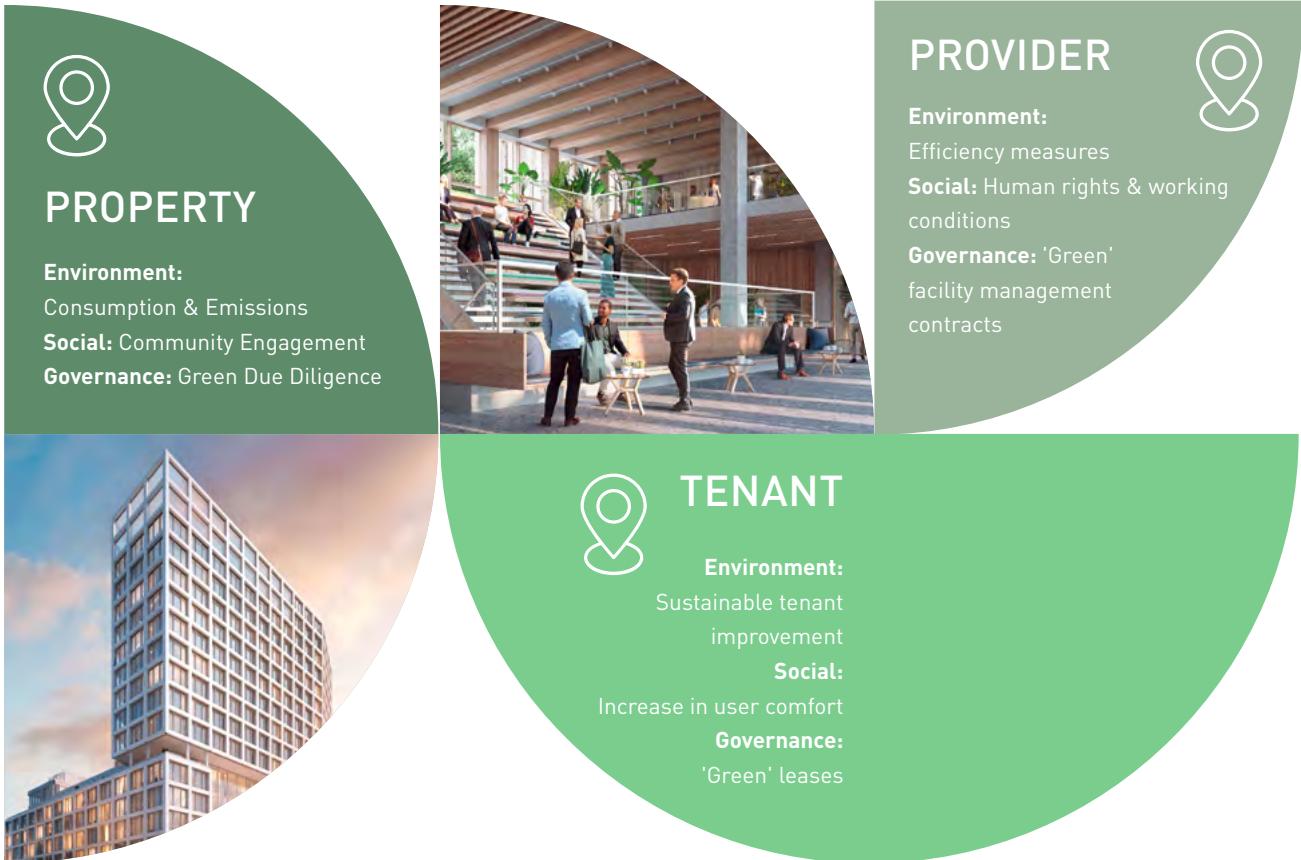
1.3 Sustainability at Art-Invest Real Estate

Our sustainability strategy

The economic success of our core business is closely linked with our social responsibility to promote ecological and social values. These three dimensions go hand in hand and mutually strengthen each other.

We at Art-Invest Real Estate regard sustainability as an integral part of our company DNA. This means following a strategy that has a positive impact on global challenges such as climate change, social inequality and scarcity of resources, in the present as well as the future. The real estate sector plays a crucial role in the promotion of sustainability and the achievement of national and international climate goals, as buildings cause about 40% of the total CO₂ emissions. Against this background, we consider it to be our responsibility to actively contribute towards the reduction of emissions and resource consumption.

At the centre of our sustainability strategy is the integration of environmental, social and governance factors in important decision-making processes, supported by the goals for sustainable development of the United Nations. Our sustainability strategy is subject to regular checks and updates so as to ensure that it corresponds to the latest requirements. If required, we extend our strategy by additional guidelines, provided that they are considered to be practical and essential.



At the company level we regularly check and update our internal governance guidelines so as to ensure that they meet the latest ESG requirements. Our obligations include the development of performance indicators for the quantification of sustainability performance and the adaptation of our reporting to international standards, especially PRI, GRESB and INREV. Moreover, we commit ourselves to fair personnel guidelines and strict labour norms.

At the property level, we develop within the framework of our 'Manage to Sustainability' (MTS) strategy, for each of our real estate project's property-specific decarbonisation strategies in order to convert portfolio properties to future-proof and sustainable assets. It is our objective to increase energy efficiency, to reduce CO₂ emissions and to integrate social aspects into our properties. Through sustainable management we make an active contribution towards climate protection, for instance through the implementation of modernisation concepts.

Our sustainability strategy is shaped by defined guidelines, which are divided into four dimensions and form the basic framework for our daily actions. These dimensions help us to develop ourselves economically, ecologically, socially and in social interests.





Our sustainability guidelines

ECONOMY



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

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



ECOLOGY



Creating more attractive, modernised and efficient properties according to the latest standards

Responsibly managing capital in the interests of investors

Compliance as part of effective corporate governance

Conservation of resources lies in the foreground of all our project developments, and we maintain infrastructure elements wherever possible, so as to minimise CO₂ emissions

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



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

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

- Helping to create positive urban development: with neighbourhoods and property as vibrant places for living, working, culture and leisure
- Promoting the involvement of our 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

- 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



Our Sustainability Story

Changes in the legislation and increasing social awareness transform the real estate sector.

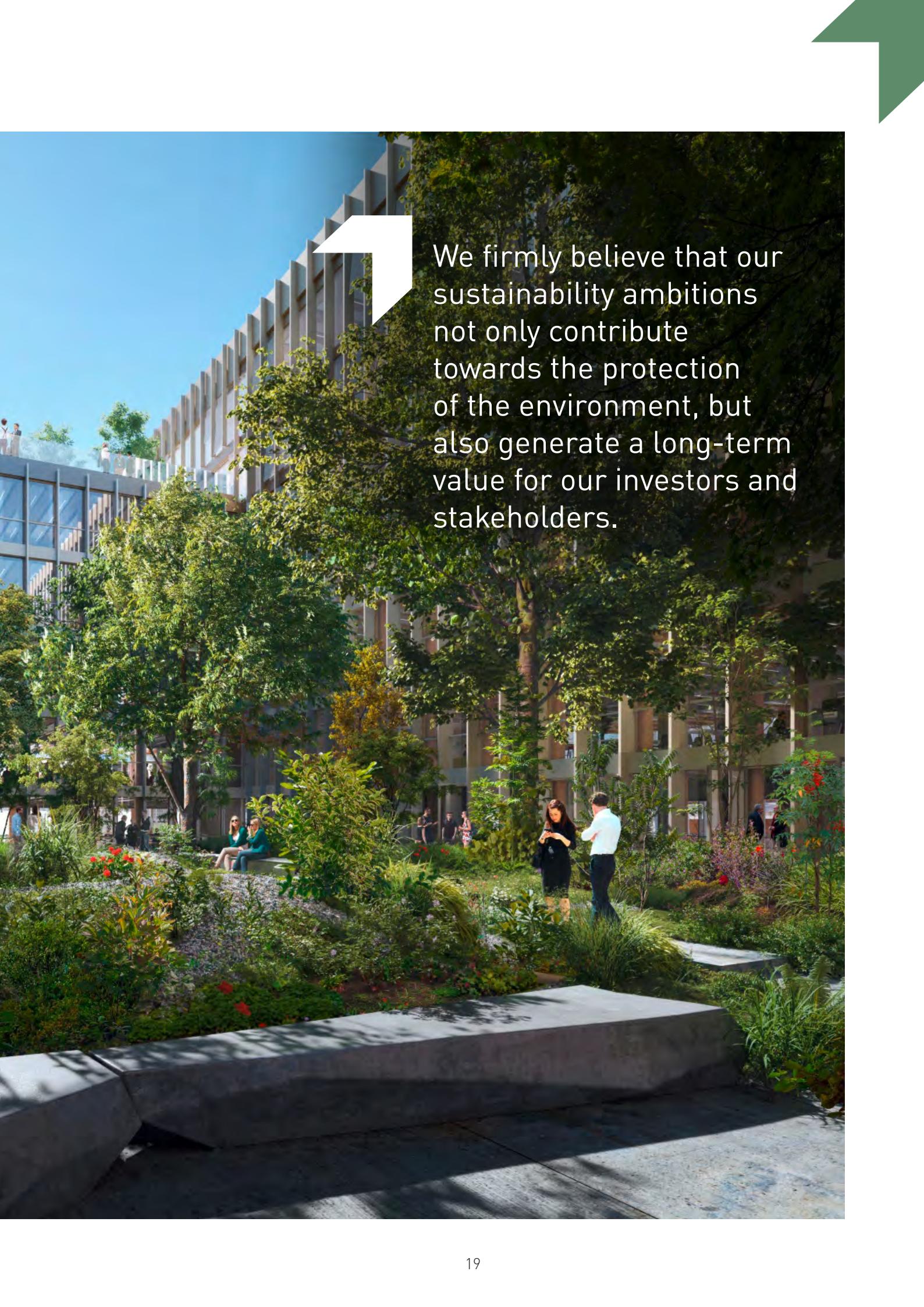
At the end of every financial year, we take the time to reflect on our activities and topics from the year gone by. This reflection includes our successes as well as the challenges and problems that we faced. In the Sustainability Story 2023, we have documented our journey and the measures that we took to actively contribute towards the transformation of the sector. We are particularly proud to have developed, in the year 2023, detailed ESG roadmaps for more than half of our portfolio, which contribute towards sustainable management of our properties through targeted measures. Another significant milestone in the last year was the completion of our guide for sustainable construction, a ground-breaking document, which emphasises our commitment to ecological responsibility in our projects. The introduction of three new guidelines – the Responsible Investment Policy, the Net Zero Emissions Policy and the Diversity, Equity and Inclusion Policy, DEI Policy – has additionally strengthened our organisational orientation to sustainability.

These measures also led to the fact that we could improve the GRESB score at the management and performance level of our participating fund vehicle as well as our PRI score.

Despite this success we continue to face challenges, especially in the creation and optimisation of our database. During the course of the year 2023, we were confronted by obstacles in the implementation of our ambitious goals for comprehensive introduction of Smart Meter as well as the integration of an ESG tool. At the end of the year, we could reach contractual agreements and start with the implementation together with our business partners.

But even these challenges motivate us to continuously improve our systems and processes, as well as intensify our commitment to sustainable development. We firmly believe that our sustainability ambitions, which we have been continually and resolutely implementing for several years, not only contribute towards the protection of the environment but also generate a long-term value for our investors and stakeholders.



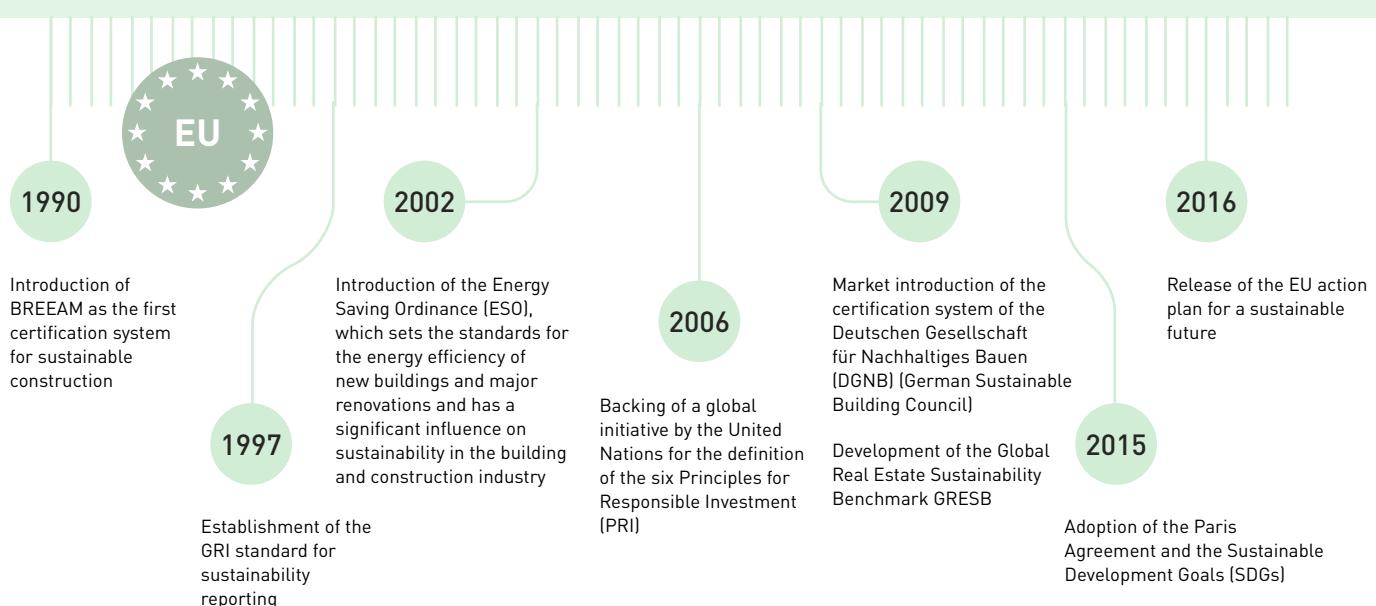


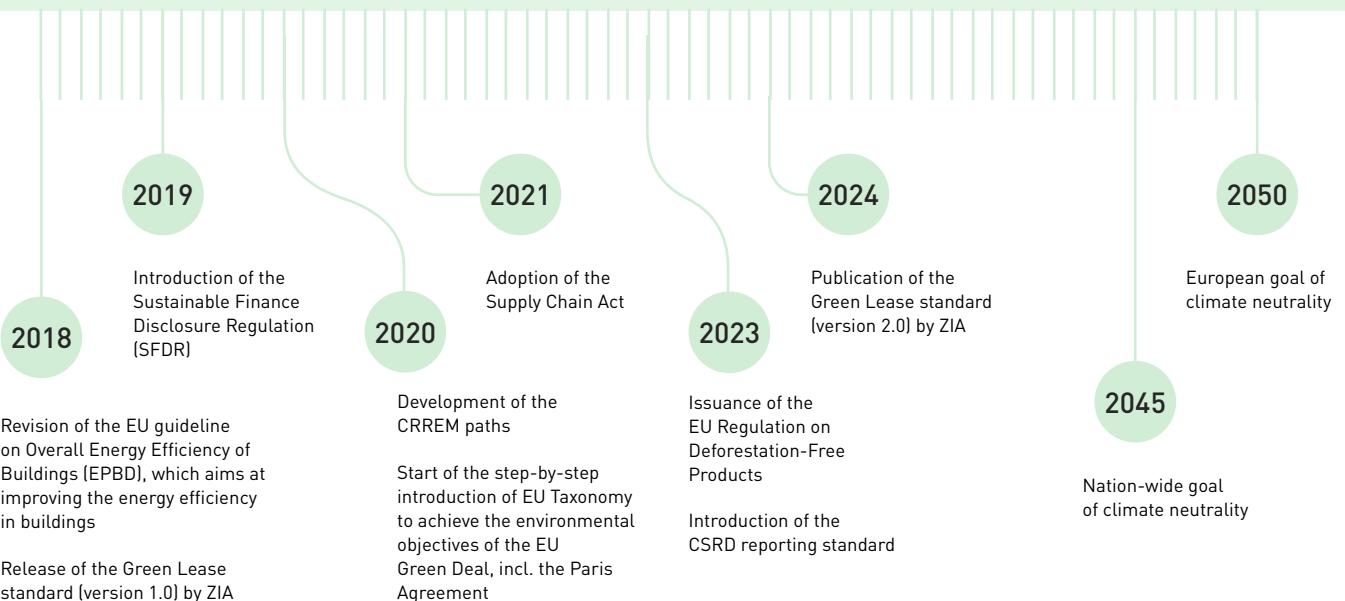
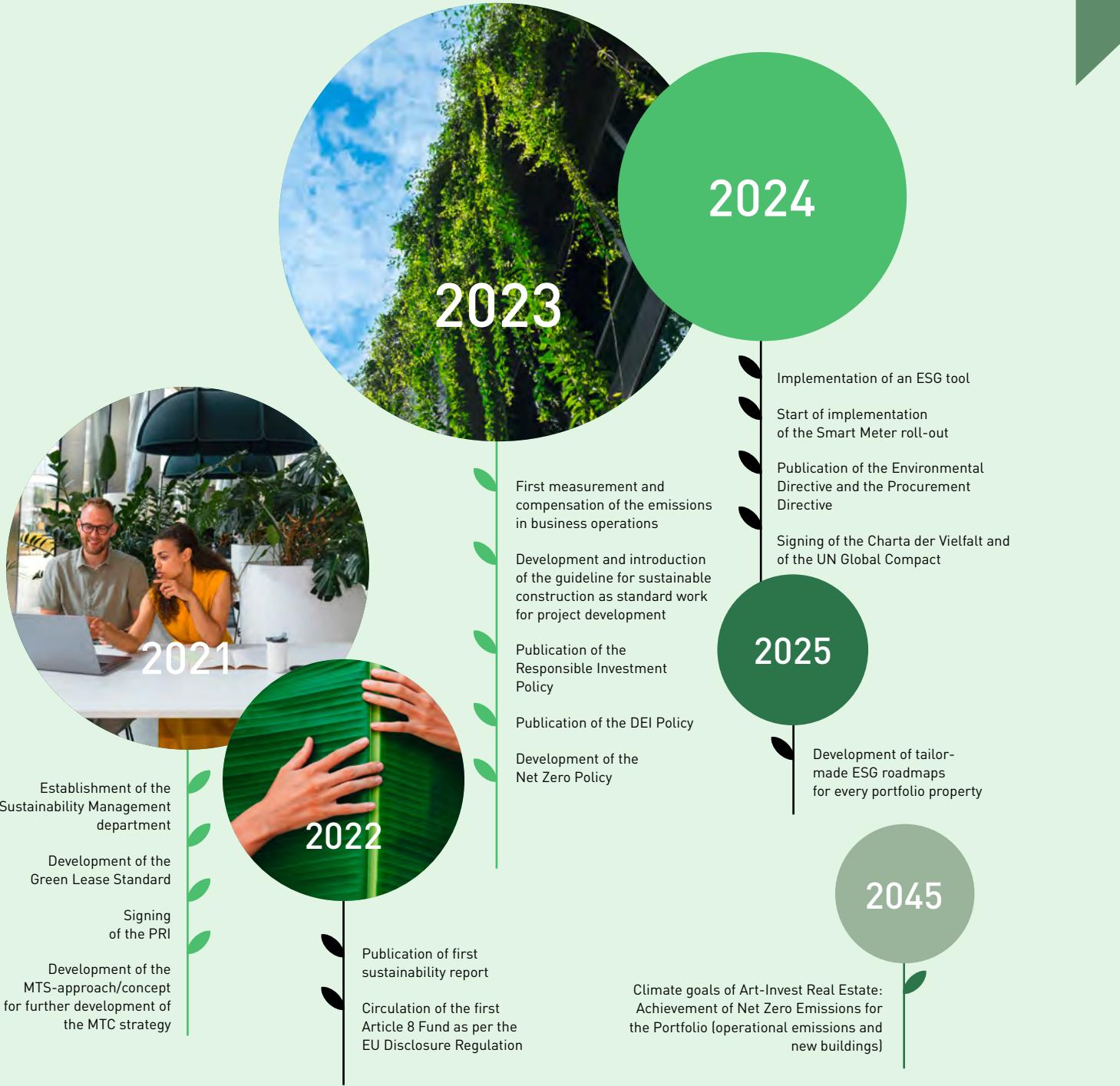
We firmly believe that our sustainability ambitions not only contribute towards the protection of the environment, but also generate a long-term value for our investors and stakeholders.



Our Sustainability Story

In the Sustainability Story 2023, we have documented our journey and the measures that we took to actively contribute towards the transformation of the sector.







Which higher-level goals are we pursuing?

As per our sustainability strategy we, as a responsible company, align our higher-level business objectives to the 17 objectives for sustainable development (Sustainable Development Goals, SDGs) of the United Nations. These objectives offer a comprehensive framework for robust business development and address important areas such as environment, social and company. Within our sustainability strategy, we clearly admit to implementing selected SDGs in line with our core business and our values. The SDGs are an integral aspect of our corporate vision, and serve as guiding principles for our daily decision-making and actions. As a responsible trustee for our

shareholders and investors, we strive for long-term value preservation and sustainable growth. In doing this, the interests of our stakeholders lie at the heart of our decisions and measures. Our objective is to promote ecological, social and economical sustainability equally.

ECOLOGY



SDG11: SUSTAINABLE TOWNS AND AUTHORITIES

Our district developments aim at revitalising existing locations and to achieve a sustainable vibrancy through a balanced mix of living, working, leisure and commerce in the long run. Our projects contribute in making towns more inclusive, safer and more resilient. Thus, we support sustainable urban development.



SDG13: MEASURES FOR CLIMATE PROTECTION

Our company actively strives to continuously reduce emissions at the company level as well as at the product level, so as to make a contribution towards climate protection. Based in comprehensive monitoring, we would like to establish reduction goals and sub-goals for the business operation and implement appropriate measures. Furthermore, we have set ourselves a goal to create ESG roadmaps for all our properties. We additionally carry out regular climate risk assessments for all our properties, to be able to take suitable countermeasures in good time.

11



SDG15: LIFE ON LAND

15

Art-Invest Real Estate advocates for the protection and sustainable use of terrestrial ecosystems. We design our buildings with green façades and roofs, which create urban habitats for plants and animals and also improve the air quality. In new buildings we try to prevent complete sealing, in order to achieve near-natural green spaces, which promote biodiversity and water consumption. Additionally, we financially support the protection of moors and a rewetting project in Mecklenburg-Western Pomerania, so as to preserve these important carbon reservoirs and habitats of rare species. Our initiatives are meant to contribute towards the stability and resilience of ecosystems.

SOCIAL



SDG3: HEALTH AND WELL-BEING

3

The promotion of health and well-being has the highest priority at Art-Invest Real Estate and is firmly anchored in our company guidelines. Our goal is to create attractive workplaces and to help our employees achieve a good work-life balance. Moreover, we offer workplaces in accordance with modern health standards and support operational health care with various offers.

In new construction projects, we pay attention to the use of materials friendly to the environment and health, as well as to measures for the improvement of the air quality and the creation of green spaces, so as to ensure the well-being of users in the long term.



4

SDG4: HIGH-QUALITY EDUCATION

We aspire to continuously encourage our employees through individual educational opportunities. In addition to this we are actively engaged in the promotion of higher education institutions, in order to continually improve the educational opportunities at the local level. Furthermore, it is our goal to include an increasing number of educational infrastructure projects in our portfolio to be able to contribute in the further promotion of quality education.



10

SDG5: GENDER EQUALITY

5

To achieve a considerable influence in our organisation, the sector and the company, we have considerably driven forward our engagement for diversity, equal treatment and inclusion in the past year. Our efforts aim at creating an inclusive work environment, which attracts a diverse workforce and thereby includes different genders, age groups and other relevant traits, as they are laid down in our corresponding guideline.



SDG10: FEWER INEQUALITIES

Our efforts in the field of diversity, equal treatment and inclusion also ensure that all employees can participate equally in their professional lives, and get career opportunities based on individual capabilities, inclinations and interests. Moreover, we ensure equal opportunities for all employees whereby, for instance, the company supports the compatibility of family and profession independent of the gender.

LOCAL COMMUNITY



8

SDG8: HUMANE WORK AND ECONOMIC GROWTH

In addition to our commitment to create safe, fair and conducive work conditions in all our business areas, our efforts also contribute towards boosting the regional economic growth. Our established minimum labour and social standards are binding and are equally applicable to all service providers and contractual partners.



SDG17: PARTNERSHIPS FOR ACHIEVEMENT OF GOALS

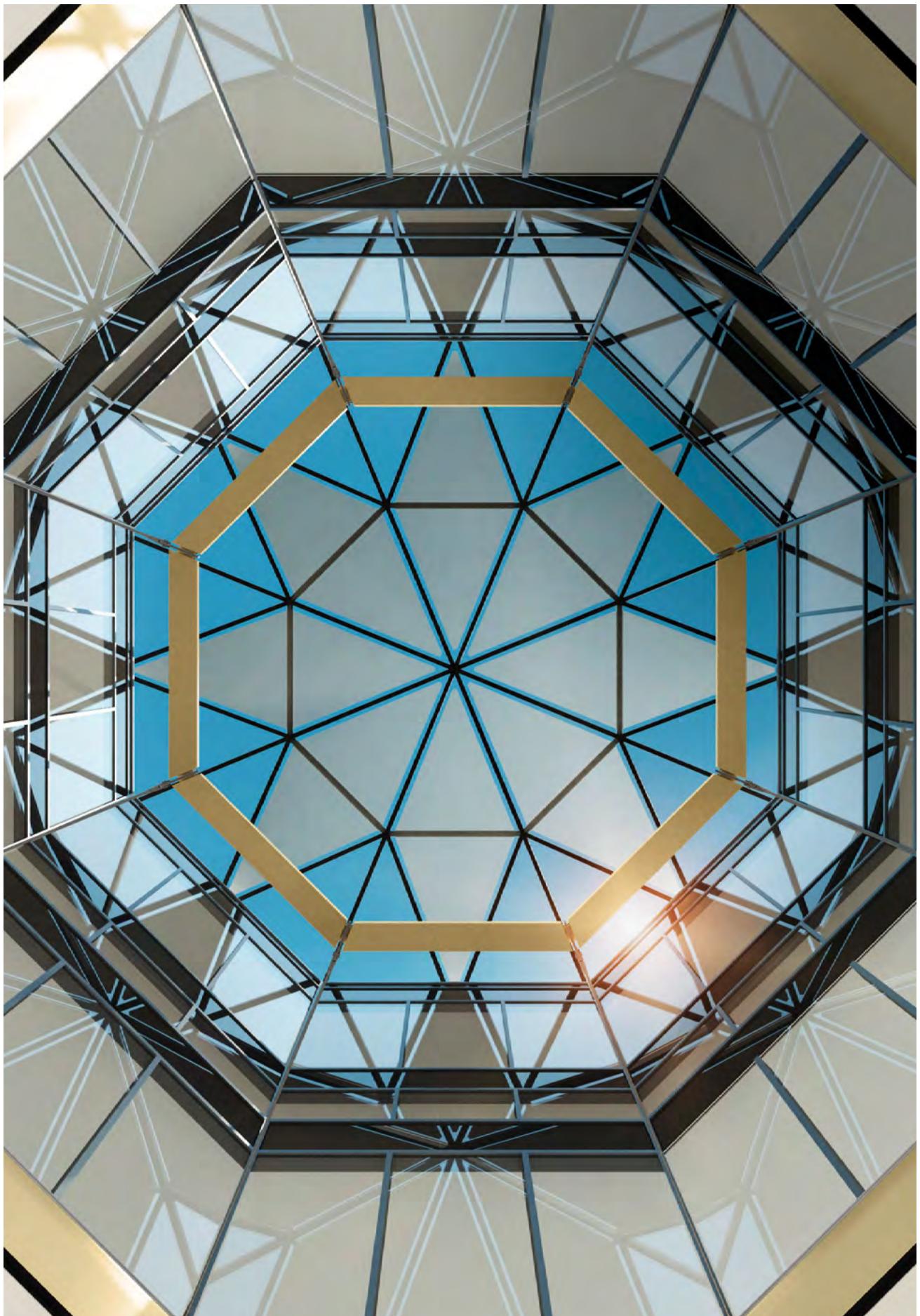
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We firmly believe that our ambitions in the areas of environment, social responsibility and governance can be achieved through an active participation in cross-sector initiatives, cooperation projects and networks. These co-operations allow us to use synergies, exchange knowledge and resources as well as to jointly develop innovative solutions. Our long-term goal is to further develop suitable partnerships and to make new ones. In the coming year we are particularly planning to build such partnerships that promote the areas of diversity, equal treatment and inclusion.

Overview of Stakeholders & Exchange Channels

Our business has always been interconnected to the interests of various stakeholders. Understanding their expectations is more than ever key to the success of our business. To identify challenges and opportunities in good time, and to tackle them, we rely on a continuous, transparent and intensive dialogue with all relevant stakeholder groups. This is how we can receive impulses from the environment and set trends at the same time.







Core team and communication channels

At Art-Invest Real Estate, sustainability is considered to be a team task, wherein each department and each project group makes a significant contribution towards the overall result.

The management board is responsible for the development of the sustainability strategy. It monitors its implementation and compliance with the guidelines, including the obligation of the Code of Conduct of the Zech Group, and guarantees the transparency and compatibility of all business activities with the sustainability guidelines. The ESG committee was established in 2021 to assist the management board. This body consists of fixed members, which include two directors of the management and investment company as well as executives and experts from the ESG & Sustainability Management department. Moreover, depending on the topic, additional executives from different areas like Human Resources, Risk Management, Legal & Compliance, Asset Management, Development, Fund Management as well as Innovation & Digitalisation and Marketing are consulted. The ESG committee takes on a supervisory, decision-making and informative function. It initiates ESG measures and manages ESG risks in order to ensure that the ESG strategy, ESG goals and risk management are consistently integrated in all business areas and implemented there. The committee meets at least four times a year to discuss relevant topics and take decisions.

The ESG & Sustainability Management department supervises and coordinates the topic of sustainability at Art-Invest Real Estate.

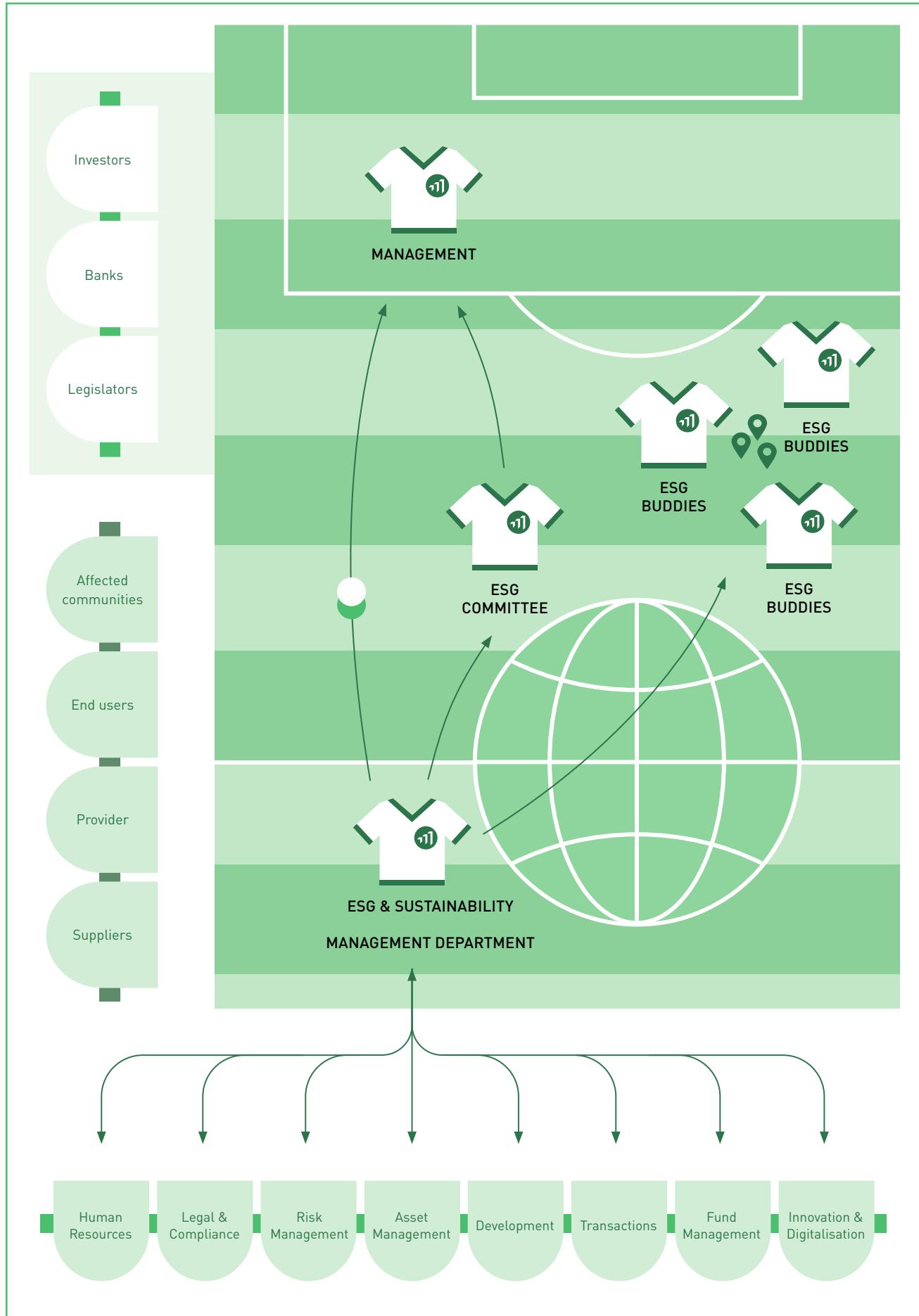
A central objective of the department is the development of strategies as well as guidelines and principles. It supervises the goal attainment at the group level, and ensures continuous communication and coordination with the

different departments. The different teams and departments are regularly informed about regulatory developments, updates about strategies and guidelines, the status of implementation projects or about the sustainability performance of properties. The department is additionally responsible for the sustainability activities at the level of the capital management company and its investment vehicle. It includes the supervision and compliance with regulatory requirements such as the EU Taxonomy and Disclosure regulations. The ESG & Sustainability Management department supports the property project teams in the branches in the planning and implementation of ESG measures by taking into account national laws and funding programmes. Finally, it also coordinates framework agreements and the introduction of new technology.

To support the implementation, we use so-called ESG buddies within each branch. These ESG buddies are in a constant dialogue with the central departments, are trained to become subject experts and act as knowledge multipliers and contact persons for their team colleagues, in order to communicate best-practice examples with them, for instance.

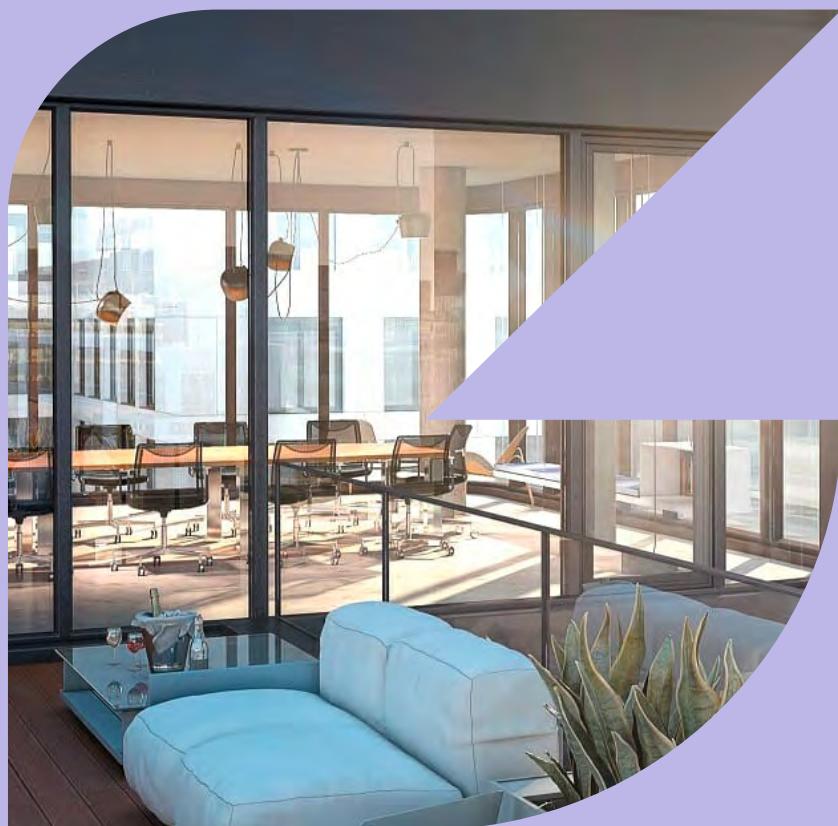


Art-Invest Real Estate Group





GOVERNANCE



02



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





2.1 Introduction

At Art-Invest Real Estate, Corporate Governance is our first priority. We affirm the principles of ethics and integrity, continuously develop our guidelines and policies further and always act in the best interest of our business partners, investors and employees.

Our governance structure forms the foundation of our organisation, and is decisive for building confidence in our stakeholders as well as for ensuring long-term and sustainable success.

Our principles of fairness, transparency and responsibility are deep-seated in our corporate culture and constitute the key to meet regulatory requirements as well as the expectations of our stakeholders. Every decision and the fiduciary handling of entrusted monies require strict

adherence to laws, guidelines and compliance-provisions, at the company as well as product level. In the following section we will present how our values are implemented in the daily course of work, and what progress we have made in the reporting period.

2.2 Sustainability mission and goals

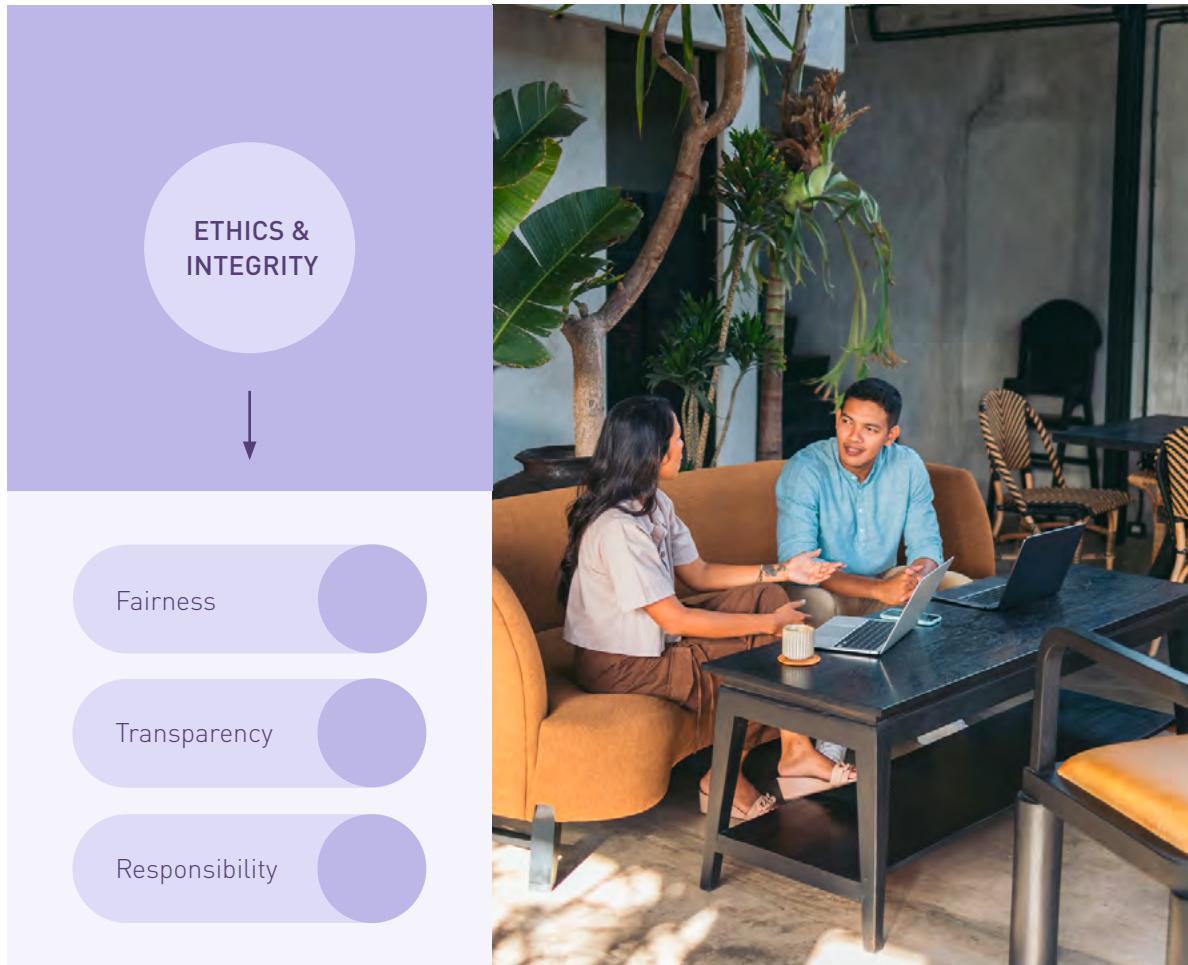
Our mission in the field of governance builds on our engagement for sustainable development.



We have set ourselves the goal to actively contribute to SDG8 'Humane Work and Economic Growth' and to SDG17 'Partnerships for Achievement of Goals'. As a proud member of the International Corporate Governance Network (ICG), an organisation that advocates the promotion of good governance practices worldwide, we continuously work for the attainment of these goals.

In view of our mission, we have set ourselves the objective to promote ethical business practices, build strategic partnerships, ensure transparency and to anchor responsibility at all levels of the company. We would like to strengthen the principles of good corporate governance and

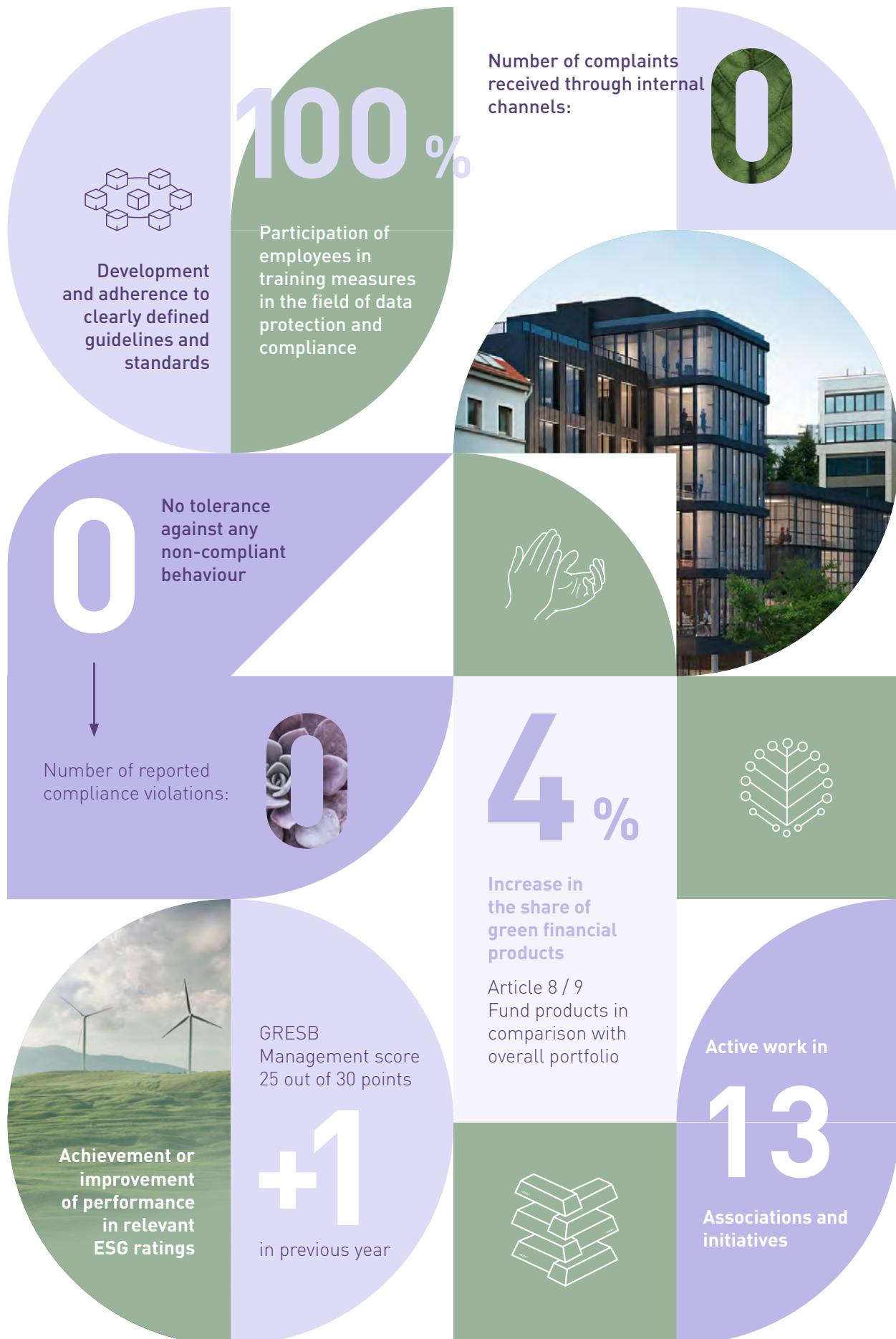
seamlessly integrate them into our operational processes to ensure a high degree of confidence and credibility among all our stakeholders. We are convinced that our clearly defined principles and our engagement for continuous improvement allow us to create a sustainable value for them. Moreover, we commit ourselves to regularly check our governance structures and to adapt them so as to comply with the highest standards at all times, and to fulfil the expectations of our stakeholders.





GOVERNANCE AT A GLANCE





Data as on 31.12.2023, detailed key figures as per business areas in annex



2.3 Compliance system of Art-Invest Real Estate

INTEGRITY AND FAIRNESS IN ASSET MANAGEMENT

For the protection of our investors, the entrusted properties and the market, safeguarding integrity during the management of assets is our topmost priority. Our actions are determined by consistent fair business practices, which comply with all legal provisions and supervisory regulations.



CUSTOMER LOYALTY THROUGH TRANSPARENCY AND PROFESSIONAL BEHAVIOUR

Our professional behaviour towards customers, as well as when dealing with shareholders, colleagues, business partners and authorities, is continuously characterised by fairness and decency. We prevent all actions that aim at creating false value or price indications to customers, in the market or in the public. Contracts are signed after careful examination within the scope of our KYC process (Know Your Customer) under standard market conditions. In this process we always operate with maximum transparency and take into account any possible conflicts of interest.



RESPONSIBILITY AND COMPLIANCE OF EMPLOYEES

Every employee contributes responsibly towards safeguarding entrusted values and the reputation of Art-Invest Real Estate, be it professionally or personally. Sideline activities or business activities that could compromise the performance or loyalty to the company are prohibited and require prior approval. Employees are not permitted to participate in activities or take on mandates that could potentially compromise the interests of Art-Invest Real Estate or its autonomy. All employees are under the obligation to adhere to the stipulated compliance directives.





CUSTOMER SATISFACTION AND COMPLAINT MANAGEMENT

Our economic success significantly depends on the satisfaction of our customers. To handle customer concerns rapidly and appropriately, we have established specific rules that also take into account regulatory requirements. Customers in the sense of our complaint and communication management include investors of our investment assets as well as the employees of the properties there. Our goal is to find appropriate solutions in a timely manner. We have additionally set up a whistleblowing position that offers employees the option to file complaints openly or anonymously. During the reporting period, there were no complaints from investors, tenants or about the whistleblowing system.



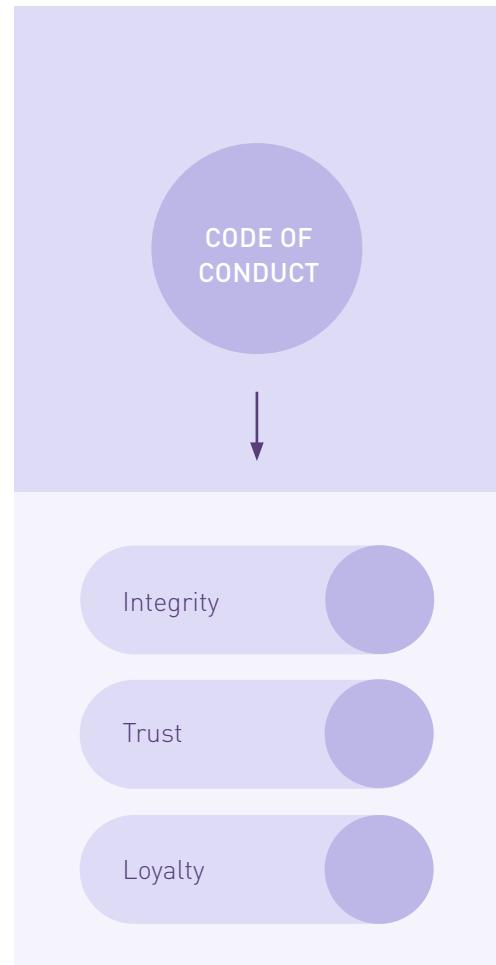
STRATEGIES FOR CORRUPTION PREVENTION

Art-Invest Real Estate places the highest value on integrity, as even the suspicion of corruption or bribery can sustainably damage our reputation. Therefore, it is the central responsibility of all employees to actively fight against such practices and to prevent them. Our regulations on accepting and providing invitations and gifts are strictly intended to ensure that professional independence and integrity in our decision-making are not jeopardised. The safeguarding of this independence forms the basis of our success, as personal interrelationships can jeopardise appropriate decision-making, which would in turn compromise the success of Art-Invest Real Estate. Our employees are required not to accept or offer any personal benefits that go beyond the usual courtesies, and that they actively prevent the impression of a possible influence or suggestibility.



MANDATORY ADHERENCE TO CODES OF CONDUCT

The fundamental values of our behaviour are bindingly defined for all bodies and employees in the Code of Conduct of the Zech Group. As regards the services as a capital management company and the responsibility towards their investors, Art-Invest Real Estate Funds has additionally adopted the BVI rules of good conduct. To guarantee integrity, sustainability and ethical responsibility within business relationships, we also have a Code of Conduct for our business partners, which is included in the important contracts concluded by us. It is published on the Art-Invest Real Estate homepage so that it can also be viewed by third parties at any time.





UNIFORM COMPLIANCE PRINCIPLES OF ART-INVEST REAL ESTATE

The 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
- 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 authority (BaFin)

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



COMPLIANCE PRINCIPLES

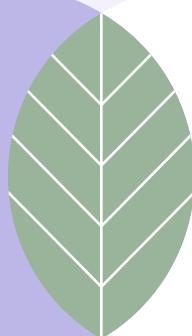
Review:



- At least annual review/ amendment 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

Transparency:

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



Documentation:



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

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 promote the desired conduct and prevent undesired actions. Art-Invest Real Estate's compliance concept accords

with the Zech Group's CoC. Any legal regulations that specifically apply to Art-Invest Real Estate Funds GmbH 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:

1. EMPLOYEES IN FOCUS

- Human rights: We respect, protect and promote regulations in force throughout the world 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.
- Protecting the environment and resources: We are working to protect the environment within our company and, together with customers, are developing solutions, products and buildings in which we are constantly optimising energy and resource efficiency to create sustainable value for customers and society.
- 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.
- 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.

2. COMMITMENT TO ETHICAL CONDUCT WITH INTEGRITY

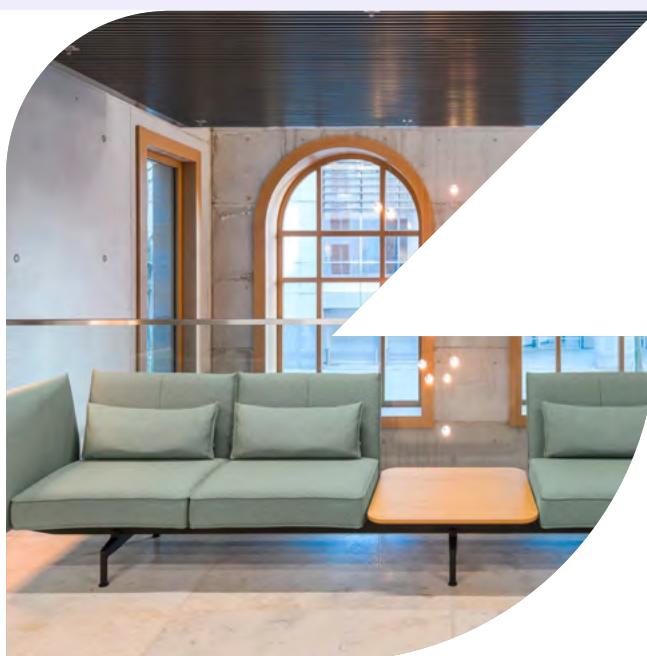
- We comply with the rules of fair competition.
- We uphold company confidentiality and safeguard the assets of the company and of the investor.
- We comply with anti-money laundering laws.
- We are proactive in combating corruption.



2.4 Firm anchoring in the guidelines

Strict adherence to internal regulations as well as (inter-)national laws is essential for us to be able to operate as a reliable partner. Our guidelines are in accord with our sustainability strategy and function as a guide for our daily actions. The integration of environmental, social and governance commitments is a significant aspect of these guidelines. Regular checks and updates ensure that they correspond to the changing requirements and standards. We therefore also developed and issued new guidelines in the previous reporting period.

Our internal **guideline for net-zero-emissions** (Net Zero Policy) marks an important step in our engagement for climate protection. As a foresighted real estate investor and developer, we take responsibility to continuously reduce the emissions of our properties and business activities. Our goal is to reduce the greenhouse effect, and to support the national goal of 'greenhouse gas neutrality till 2045'.



With the **Guideline for Responsible Investment Policy**, we reassert our claim to integrate ESG criteria in all aspects of our business activity and decision making. Our goal is to generate long-term added value for our investors, and to increase the resilience and sustainability performance of our portfolios at the same time. This guideline is applicable to all phases in which Art-Invest Real Estate bears responsibility along the value chain, which includes purchase, product development, inventory management as well as new construction and project development activities.



The **Code of Conduct** functions as the guide for ethical behaviour within our organisation. It ensures that our employees are aware of the conduct guidelines, and are under obligation to comply with the defined ethical standards in all work-related contexts.



The **Code of Conduct for business partners** represents the foundation of our cooperation with our external partners. Our business partners are under obligation to follow and implement the determined regulations.



The **Guideline for Social and Work Conditions** (Social Policy) reinforces our engagement for social responsibility and a respectful work culture, by laying down clear principles for dealing with our employees. The principles include, for instance, adherence to the applicable Health and Working Conditions Act. To ensure compliance with this guideline there is a whistleblowing system, which allows employees to report their concerns anonymously.



With the **Diversity, Equal Treatment and Inclusion Policy**, we commit ourselves to create an inclusive and supportive work environment, which is characterised by mutual understanding and respect. Our objective is for all employees to develop their full potential, while we strictly oppose discrimination and harassment.



With the **Human Rights Policy** we are under obligation to respect and promote human rights, as stated by international laws, in all our business activities. No violations against human rights were ascertained in our company in 2023 .

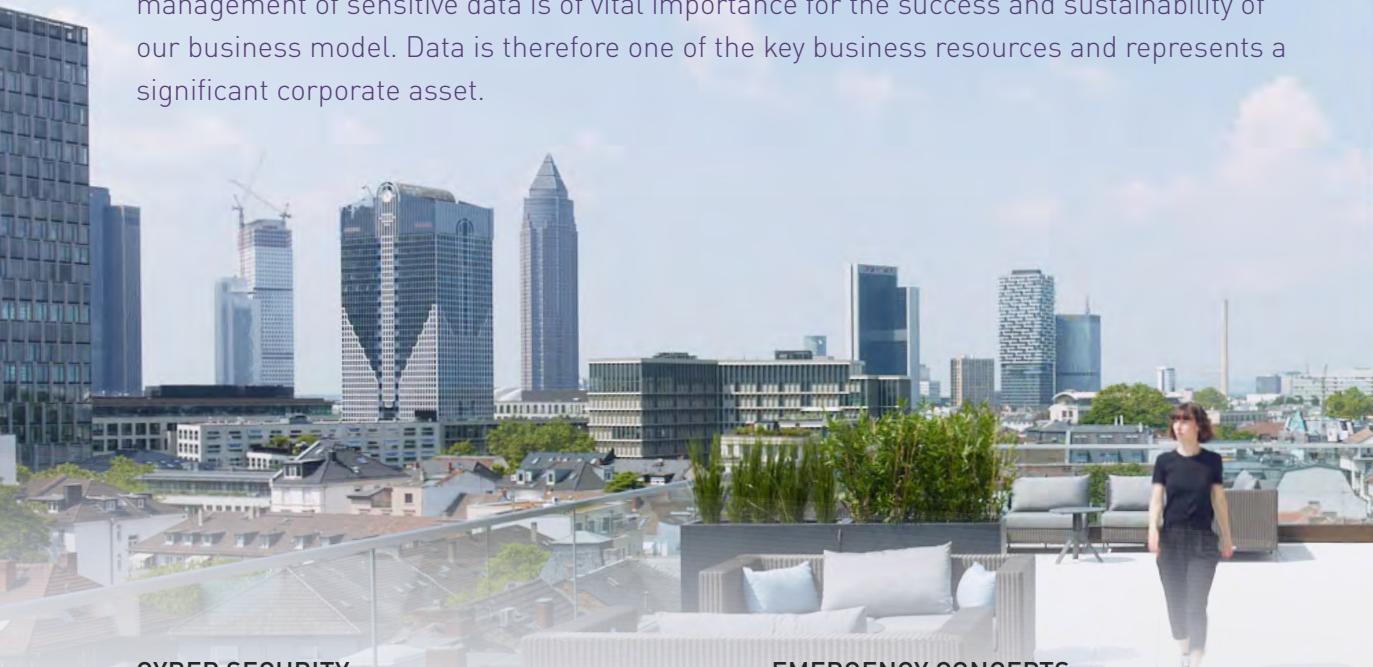


The **Remuneration Policy** ensures a fair and reasonable remuneration of our employees. Our company goals integrate aspects of sustainability, wherein at least one explicit sustainability goal is defined. Moreover, a personal sustainability goal is agreed, as far as possible, for every employee so as to promote the individual engagement for sustainable practices.



2.5 Data Protection and IT

Growing digitalisation has radically changed our business world, and the importance of IT systems and data management in companies across sectors has increased exponentially. For Art-Invest Real Estate, safe and effective use of IT resources such as the responsible management of sensitive data is of vital importance for the success and sustainability of our business model. Data is therefore one of the key business resources and represents a significant corporate asset.



CYBER SECURITY

To ensure the security of our data, we have implemented comprehensive data protection and information security management systems. These systems are designed to detect and fend off cyber threats proactively. Moreover, we continuously invest in modern security technologies. Our high safety standards are guaranteed through an effective patch management and the use of various cryptography measures. The IT systems and software solutions are continuously updated and protected, so as to close security loopholes and minimise potential threat vectors.

Our employees exclusively use secure end devices, including encrypted laptops, secure smartphones and other protected devices. These measures guarantee optimum protection of sensitive company data, whether our resources are on the go or even working from home. Moreover, we implement advanced security and anti-ransomware technologies such as firewalls, Intrusion Detection Systems (IDS) and specialised anti-ransomware software, in order to proactively detect and fend off threats.

EMERGENCY CONCEPTS

The availability of emergency concepts is another important aspect of IT-security. These ensure that a quick and effective response is given in case of an IT-malfunction or a security breach. By regularly checking and updating these concepts, we make sure that our systems are restored quickly and that there are minimum potential downtimes.

GENERAL DATA PROTECTION REGULATION (GDPR)

Adherence to the General Data Protection Regulation (GDPR) is paramount, and our data protection officer ensures that all relevant guidelines are complied with. We take our obligations towards personal data protection seriously, and actively stand up for continuously improving the data protection standards.

Number of reportable
data protection
incidents:

0



TRAINING FOR EMPLOYEES

An effective security structure is based on the interplay between vigilant, regularly trained employees and data protection and information security officers, and the implementation of procedural and technical security measurements. All employees receive annual training to ensure that they are informed about the latest data protection and information security practices at all times, and can respond to security incidents appropriately. Moreover, as part of the same, awareness of cyber security and a proactive approach in dealing with security risks is encouraged. This training is already part of the onboarding process, and is carried out in cooperation with specialised service providers in order to ensure the currency and uniformity of the content.

DECLARATION OF COMMITMENT AND ETHICS

Art-Invest Real Estate places great value on ethical business practices. Corresponding declarations of commitment by employees ensure that secrecy is maintained as per the banking secrecy rules, and that vested interests are not prioritised over the protection of confidential information. Moreover, employees are required not to compromise their objectivity by entering into speculative transactions themselves.

DIGITALISATION AND INNOVATION

Our IT systems support all business processes and are continuously improved. Within the scope of our comprehensive digitalisation strategy, we have initiated the 'smART work' project, which contributes to the optimisation of our business processes across the group. With 'smART work', we actively promote digital transformation, with the intention of increasing satisfaction among our employees as well as the quality of their work. Together we design a modern world of employment, wherein innovation and networking are paramount, supported by digital technologies and intelligent solutions.



Opportunities and risks are an integral part of every economic activity. We at Art-Invest Real Estate also see ourselves as guardians and creators of values.



2.6 Risks

As fiduciaries for our investors we are highly committed to long-term value preservation. At the same time we create new, sustainable properties with our project development. In doing this a special consideration is given to risk minimisation, so as to ensure that our properties are not only stable and lasting today but remain so even in the long term. Our handling of sustainability risks reflects the facets of preservation and creation.

CLIMATE RISK ANALYSIS FOR COMPANIES AND BUSINESS MODEL

We analyse climate risks for ourselves as a group of companies, for our business model and also for our investors and real estate funds.

As a group of companies, Art-Invest Real Estate is exposed to transitory risks. Basically, we don't think our business model has a threat of climate change, although changes and adjustments also need to be made. Art-Invest Real Estate regards itself as a companion of transformation into a low-carbon economy and supports its investors in the reconstruction of its property portfolios.

The locations of Art-Invest Real Estate and its properties in the fund products are subject to physical environmental risks.

PHYSICAL AND TRANSITORY ENVIRONMENTAL RISKS

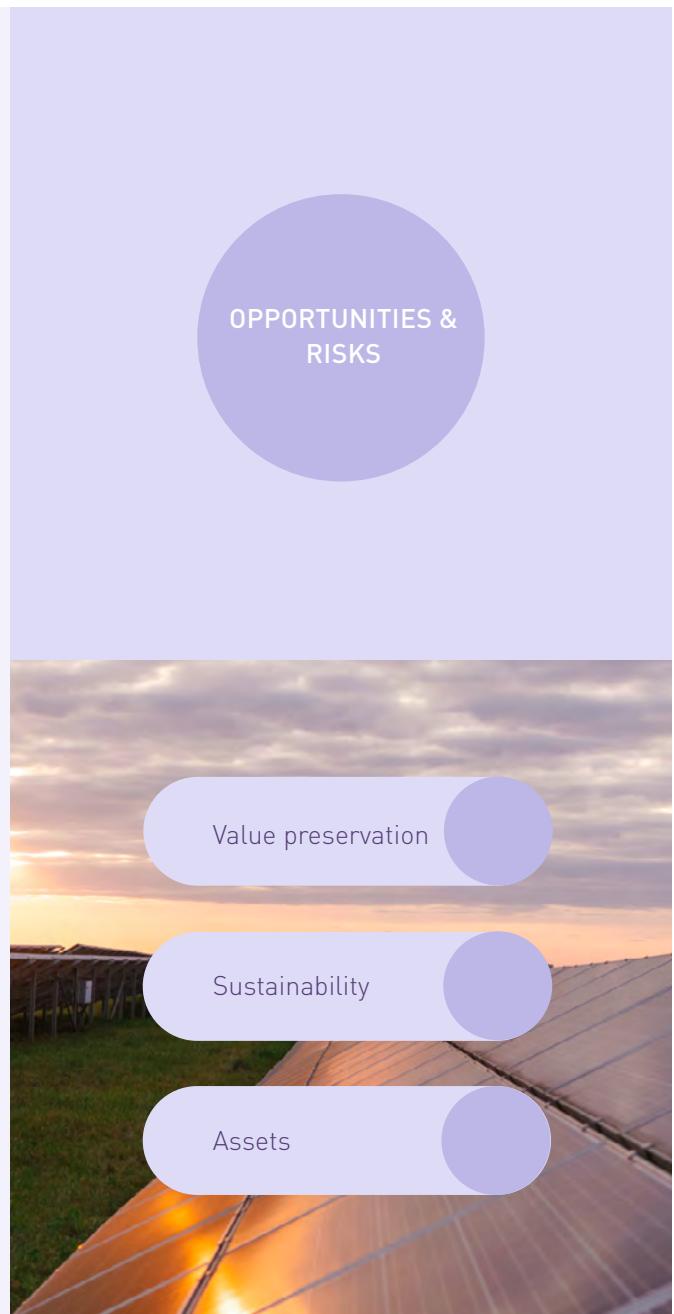
Physical risks are risks that result from natural events or physical factors and could potentially have detrimental effects on people, assets or environmental resources. Climate-related transitory risks are transitory risks that occur in the case of transition to a sustainable, low-carbon economy.

OPPORTUNITIES & RISKS

Value preservation

Sustainability

Assets





FORMAL INTEGRATION OF SUSTAINABILITY ASPECTS INTO THE RISK MANAGEMENT

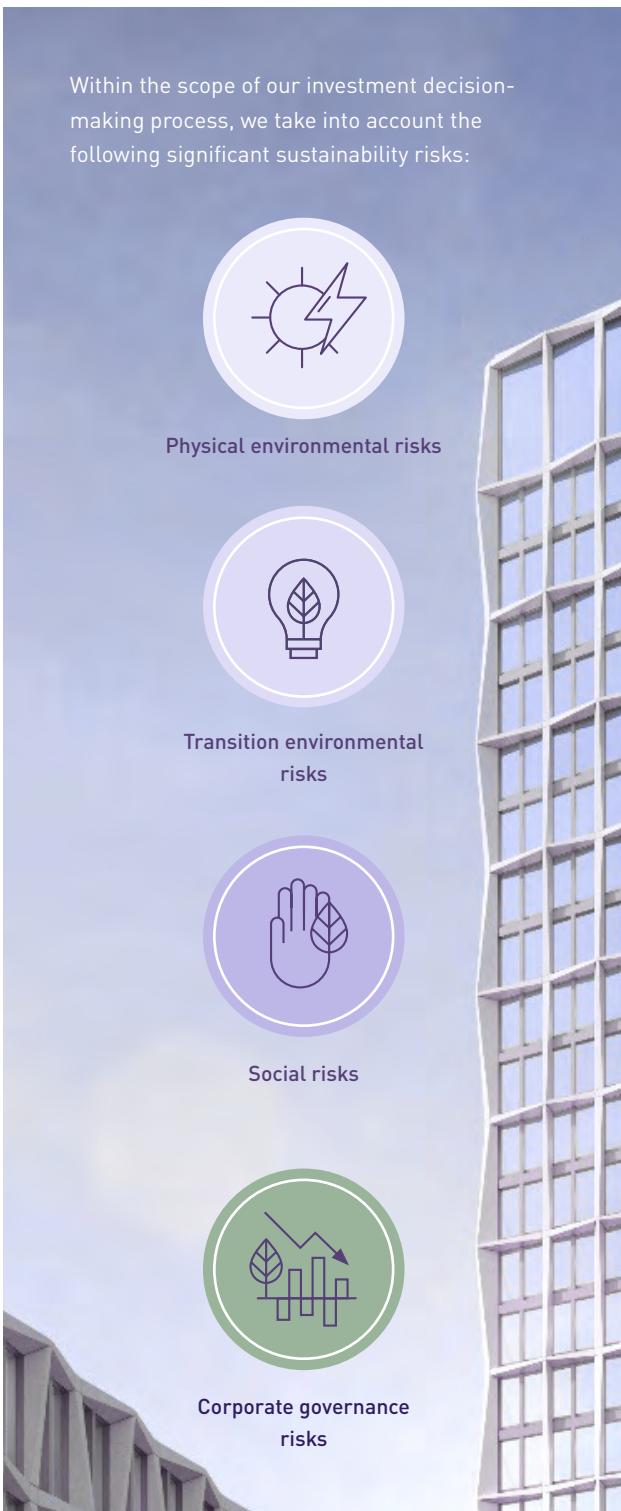
Sustainability risks are environmental, social or governance events or conditions, the occurrence of which could have an actual or potential significant adverse effect on the value of the investment.

Sustainability risks can have an impact on the asset, financial and profit situation of the property investment vehicle. Physical environmental risks can lead to a loss in value of the properties. Transition risks can lead to a considerable cost burden for the property investment vehicle (for instance for structural changes to increase the energy efficiency or on account of increasing energy costs), to loss in value (for instance on account of limited usability or low demand from tenants) and to illiquidity if, in case of intentional sale, there is no demand or only a limited demand. Social risks or those related to corporate governance can, for instance, lead to claims for damages, loss of approvals, penalties and loss of reputation in the market for the property investment vehicle. With this, sustainability risks can have a considerable effect on all known types of risks and can contribute as a factor for the materiality of these types of risks. Risks types like market risk, liquidity risk, counter-party risk and operational risk can be considered as examples here.

Sustainability risks are checked and assessed within the scope of the investment decision-making process and taken into account in the investment decision-making. Moreover, sustainability risks are regularly factored in within the scope of the risk management procedures. To that end, we implement the following procedure during the management of the property investment vehicle:

Quantification

Sustainability risks can be assessed qualitatively as well as quantitatively, wherein the possibility of quantitative assessment of sustainability risks depends considerably on the availability of corresponding information and data in the market. As part of our regulatory duties, we take reasonable efforts to ensure the quality and completeness of information and data on sustainability risks.



When purchasing new properties, we record sustainability risks within the scope of due diligence from a technical, legal and ESG point of view, include these aspects in the corresponding purchase presentation, and take them into account in the investment decision-making.

When the situation demands, we check whether a green building certification exists for the properties or whether such certification can be achieved. This check also includes sustainability risks, as well as any other sustainability aspects.

Taking into account the most important adverse effects on sustainability factors (see below) also helps in recording, measuring and controlling environmental transition risks. We check whether properties serve in the extraction, storage, transport or production of fossil fuels, and prevent such investments (as far as possible) from the beginning. Art-Invest Real Estate monitors the energy efficiency and energy consumption as significant key figures for the assessment of such transition risks. The accord of the Green Lease standard and the use of Smart Building technologies and cloud-based building automation for suitable properties contribute to this.

We bind our business partners within the scope of our Code of Conduct, among other things, to adherence to the applicable law, to fight corruption and bribery, to refrain from economically damaging offences to the detriment of public authorities (e.g. illegal employment, money laundering or tax evasion), to safeguard human and labour rights, to fight discrimination, to ensure a healthy and safe working environment and to protect the environment.





DEALING WITH PHYSICAL ENVIRONMENTAL RISKS

For almost our entire property portfolio (97.5%), we consider, among other things, natural hazards such as floods, earthquakes, winter storms, hail, torrential rain, heat and forest fires. 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 environmental risk on average across the portfolio.

If we are to only focus on one specific natural hazard at a time, parts of the property portfolio are also subject to very high risk assessments. Risk assessments for floods, torrential rain and hail can be considered as examples here. A total of 56.3% of the considered property assets are potentially at

risk due to flooding, or can be subjected to a risk of high hail or torrential rain.

Recognised climate models basically 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.

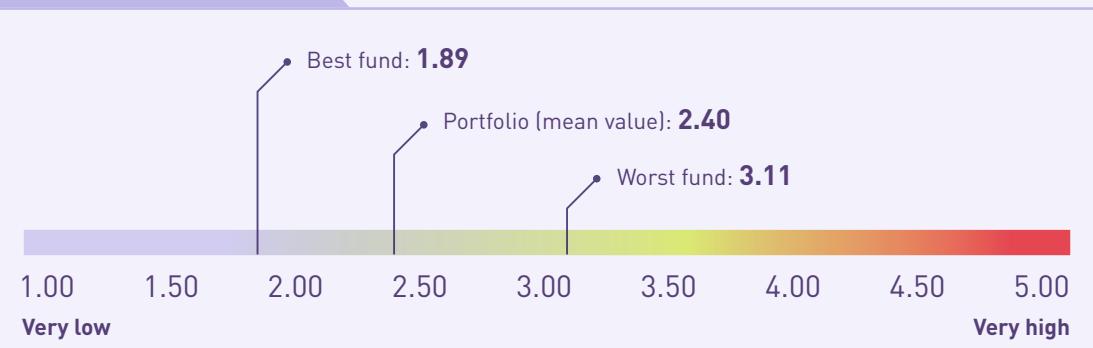
We take out rent insurance policies for all portfolio properties, which cover damage caused by fire, storm, hail, floods or force majeure. It must be noted in this connection that insurance premiums have risen considerably in the recent past and will continue to increase further. The primary reasons were the extreme weather events that recently occurred, the increase of construction costs and inflation.

RISK KEY FIGURES OF OUR FUNDS

PRESENT



FORECAST





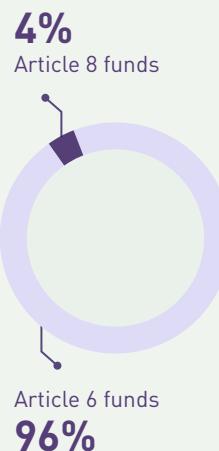
DEALING WITH TRANSITORY ENVIRONMENTAL RISKS

Transitory risks relevant to Art-Invest Real Estate refer to customer preferences changing, or political measures leading to fossil energy sources becoming more expensive. New legal requirements can require buildings or assets to be renovated or redeveloped, which could possibly result in high investment costs. Below is our presentation of how we deal with two significant transitory environmental risks – related to the business model of Art-Invest Real Estate:

PRODUCTS AND INVESTOR PREFERENCES

At the end of the 2023, Art-Invest Real Estate manages a total of 24 funds for institutional investors. Of these, only one product is classified in accordance with Article 8 of the Disclosure Regulation. We currently do not have products pursuant to Article 9 of the Disclosure Regulation in our product portfolio. We assume that investors will be predominantly investing

in Article 8 or Article 9 products going forward. Therefore, we are striving to ensure that all newly created funds correspond to the classification pursuant to either Article 8 or Article 9 of the Disclosure Regulation. Moreover, we are offering our investors an upgrade from Article 6 to Article 8 products.



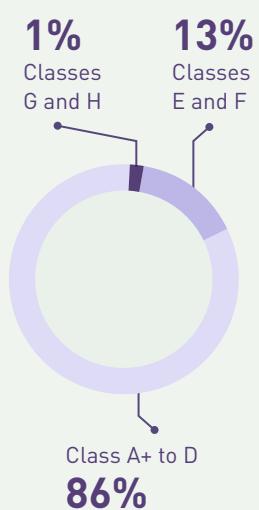
POLITICAL GUIDELINES AND REGULATORY REQUIREMENTS

The expected increase in the CO₂ pricing can lead to significant additional costs, thereby reducing the profitability of the property products. In addition, the EPBD (Energy Performance of Buildings Directive [EU/2024/1275]) stipulates that the worst 16% of the non-residential buildings up to 2030, and the worst 26% up to 2033 will be subjected to mandatory renovation.

In our opinion, properties of the energy efficiency classes F and G are subject to very high transitory risks. They are excessively affected by increasing CO₂ costs and, with the implementation of the EPBD, are subject to mandatory modernisation and renovation, which is

likely to involve high investment costs. If the necessary investment costs are incommensurate with the value of the property, these properties may experience a considerable loss in value. An assessment of our property portfolio has shown that only one property or 1% of the property portfolio is assigned to energy classes G and H. If we also take energy classes E and F into consideration, a total of 14 properties or 13% of the property portfolio are subject to increased or extremely high transitory risks. A review of the poorer energy classes give a clear indication of the properties that need to be examined and improved from the energy perspective on priority.

Energy classes of the properties in % of the managed property portfolio*



* Review of 106 properties in the managed property portfolio.



2.7 Sector transformation

Numerous associations and initiatives make a significant contribution to the promotion of sustainability in the real estate sector. Our engagement in various associations reflects our belief that together we can achieve more. We do not take the challenges of the future as individual tasks, but as joint efforts that we should take together with other real estate

companies, cities and building economies. Our involvement in the associations allows us to exchange and share our knowledge with other companies that are faced with similar challenges. This cooperation not only allows fresh perspectives and innovative approaches, but also an effective exchange with other players in the sector.



In 2023, Art-Invest Real Estate was involved in 13 associations and initiatives. This amounted to a contribution of approx. EUR 220,000.



DENEFF

Deutsche Unternehmensinitiative Energieeffizienz e.V.: We actively participate in DENEFF working groups such as IMMO2.Zero. This independent network brings top companies from the energy efficiency sector together to represent their common political interests for effective and ambitious energy efficiency regulation in Germany.

BVI

Bundesverband deutscher Investmentgesellschaften und Asset Management e.V.: The BVI represents the interests of the German investment sector, and supports our efforts with regards to sustainable investments.

INREV

European Association for Investors in Non-Listed Real Estate Vehicles: This non-profit organisation promotes the interests of investors in non-listed real estate funds, with a strong focus on the increase in transparency and comparability through best practice specifications.



PRI

Principles for Responsible Investment: As a signatory of the PRI, we affirm to the principles of responsible investment. These global standards support us when it comes to the inclusion of ESG criteria in our investment decision-making, and thereby in creating sustainable values in the long term.



ULI

Urban Land Institute: As an interdisciplinary network, ULI brings various industry players together and promotes dialogue between the private real estate industry and the public sector, so as to jointly develop sustainable solutions.

ICG

Initiative Corporate Governance der deutschen Immobilienwirtschaft e.V.: This initiative commits itself to the topic of 'Corporate Governance' in the German real estate sector. Through extensive research, training programmes and the exchange of knowledge, the initiative supports the introduction of high ethical standards, so as to create more transparency and responsibility in the real estate sector.

DGNB

Deutsche Gesellschaft für Nachhaltiges Bauen (German Sustainable Building Council): The DGNB is the leading network in Europe for sustainable construction. Its certification system for buildings and neighbourhoods sets new standards for sustainable building projects and promotes innovative solutions in the real estate sector.

FIF

Women in management: The objective of the 'Frauen in Führung' (women in management) initiative is to increase the proportion of women in management positions. Gender equality at the management level is promoted, and diversity within organisations is increased through strategic support, specific support measures and building of networks.

ZIA

Zentraler Immobilien Ausschuss e.V.: As a trade association, ZIA represents the interests of the entire real estate industry at the national as well as European level.



2.8 Sustainable assets and adaptation of the investment strategy

Sustainability as a topic is gaining importance in the field of financial investments. Melina Braxator, Sustainability Manager at Art-Invest Real Estate Funds, explains in an interview how the company organises its funds investment strategy in order to take account of ecological and social criteria, and which disclosure requirements need to be fulfilled.



Ms Braxator, could you give us an overview of the current situation of property funds under Articles 6, 8 and 9?

The Sustainable Finance Disclosure Regulation, SFDR of the EU has divided the funds into three categories: The terms Article 6, Article 8 and Article 9 funds have taken root in common parlance. Article 6 funds factor in sustainability risks, but do not have a special focus on sustainable investments. These funds are the most basic form and only require the disclosure of how sustainability risks are included in the investment decisions. Article 8 funds go a step further. They require ecological or social attributes and are obligated to show in detail how these attributes should be achieved. These funds should additionally ensure that the advertised attributes are taken into account in the investment processes and reviewed regularly. Article 9 funds are the most extensive category and have sustainable investments as the primary objective. These funds are obligated to define clear and measurable

sustainability goals, and to regularly report about their achievement.

How do you assess the latest market situation for Article 6, Article 8 and Article 9 fund products, and what feedback do you receive from investors?

Investors increasingly look for options that not only offer financial yields but also positive ecological and social effects. The increasing demand for sustainable investments, the increasing awareness of sustainability risks and the regulatory requirements drive this change forward. Moreover, increasingly more investors realise the long-term advantages of sustainable investments. These include lower operating costs and higher property values through energy-efficient measures.

Will Article 8 or Article 9 funds solely exist in the long term? Could there be any alternatives?

The market view here is divided into two, or perhaps even three parts. The long-term perspective indicates that Article 8 and



Investors
increasingly look for options that not only offer financial yields but also positive ecological and social effects.



Article 9 funds will gain more importance. These funds that promote sustainable and social attributes (Article 8) or pursue sustainable investment goals (Article 9), attract considerable capital flows even now and assume a growing role in the market. Despite the growth of Article 8 and Article 9 funds, there will continue to be room for Article 6 funds, which do not fulfil any explicit sustainability criteria. Furthermore, these funds could be attractive for performance-oriented investors, especially in markets that are characterised by misjudgements and opportunities. However, it is expected that even these funds must take into account fundamental ESG criteria to do justice to the growing sustainability awareness among investors and to stay relevant in the competition. In addition to the traditional classifications, there are also innovative approaches of performance-driven ESG funds. Classification as per Article 8 or 9 often says more about the transparency requirements than about the sustainability performance of the property itself. Here, new assessment and reporting systems

sustainability ratios at the fund level, as there are no binding, standardised calculation methods.

Clear standards and the introduction of product categories for sustainability could find a solution here in the future. Investors must be sure that the funds selected by them really offer sustainable investments. Greenwashing continues to be a problem, but initiatives such as the guidelines published by the ESMA in May 2024 for ESG or sustainability-related riders in fund names are steps in the right direction. These guidelines should help to prevent misleading fund names, and determine a minimum threshold of 80% of sustainable investments for the use of terms like 'ESG', 'sustainable' and 'impact'. Even the regulation of the ESG rating provider is an important step in the improvement of sustainable investment product quality. Since April 2024, ESG rating providers are subject to central approval and supervision by the ESMA. This ensures more transparency and trust in the assessments and contributes towards improvement in the ESG rating quality.



It must be ensured that the selected funds really offer sustainable investments.



can be developed, which allow a more holistic assessment of sustainability.

Despite the progress, there remains a large scope of interpretation for lack of clear regulator specifications. Can you tell us more about this?

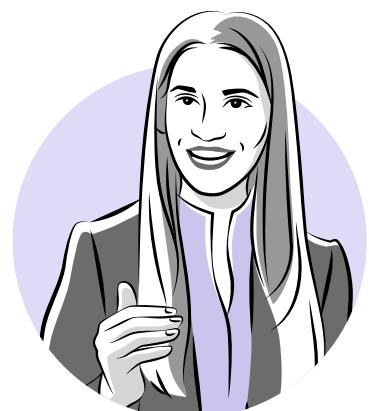
This is right. Uncertainties still prevail, especially as regards the long-term effects of the regulatory requirements and the precise definition of sustainability criteria. A challenge here is the calculation of the

A majority of property funds are still Article 6 funds. How does the classification look, particularly for property funds?

Property funds that originally ran under Article 6 are increasingly reclassified to Article 8, as this category offers more flexibility in the fulfilment of the ESG criteria than an Article 9 funds product, yet promises attractive returns.

Article 9 funds, the primary goal of which is sustainable investments, are even less popular, but are gaining importance.

Art-Invest Real Estate Funds has developed a basic concept that can be applied to every Article 6 fund, which can be reclassified. Our modular construction system determines the minimum standard, which can be extended in line with the investor's wish by management components such as a taxonomy or Green Lease ratio, participation in ratings or, e.g., PV-cover. The sustainability ambition level is determined



Melina Braxator
Sustainability Manager
Art-Invest Real Estate Funds



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Moreover, the funds undertake to create qualitative educational places that promote future-oriented education.

in the coordination of details with our investors. We give recommendations based on the properties included in the funds. The same is applicable to the reporting: We offer a regulatorily specified minimum level, which can be extended according to requirements.

Which sustainable components are preferred in the investment strategies of reclassified property funds?

Our existing Article 8 funds or those to be potentially newly established, which we are discussing, currently focus on the management along the CRREM path. This on the one hand includes the creation of ESG roadmaps matched individually to the properties of the funds, and on the other the renovation of existing properties for the improvement of energy efficiency. The objective behind all this is to gradually drive forward the decarbonisation of the properties. Moreover, the use of renewable energies, the following of the SDGs as well as participation in benchmark systems belonged to the most frequently requested management approaches.

What are specific requirements from the reporting?

The reporting for Article 8 and Article 9 funds is significantly more comprehensive and detailed than for Article 6 funds. Extensive information about the ESG strategies and their implementation within the funds documentation should be implemented; the sustainability risks in the form of PAIs as well as the progress made in the determined KPIs of the investment strategy must also be provided. Going beyond the regulatory standard, we integrate the ESG reporting into the individual investor reporting and also offer EET reporting upon request. In addition to this, the integration into our existing ESG tool is carried out as a standard of our management approach.

Art-Invest Real Estate's offer for institutional investors continues to develop further. Thus, a new concept for an Article

9 funds product has been developed among other things, which offers the investors of Art-Invest Real Estate the option, for the first time, to participate in impact investing. Can you tell us more about it?

An Article 9 funds product is especially designed to promote sustainable investments in educational institutions. The properties of the potential funds are then to be classified as sustainable investments as per Article 2 Number 17 of the EU Disclosure Regulation. These investments contribute to the UN sustainability objective number 4 'Quality Education', especially to objective number 4a, which concentrates on the construction and renovation of school and educational institutions. The funds offer a framework for a long-term, future-oriented and non-cyclical social impact investment in accordance with Article 9 of the EU Disclosure Regulation.

Which concrete objectives does the funds concept pursue with its investments?

The funds should primarily invest in school buildings in locations at which there is an explicit need in line with the school development planning. This will help offer municipalities concrete support in the development or in the upgrading of educational infrastructure, which can also be implemented in the near term, and quantifiably needed school capacities will be created. The funds measure this progress on the basis of the number of created school capacities as per the school development plans. Moreover, the funds undertake to create qualitative educational places that promote future-oriented education. For this purpose, schools are developed and designed, as far as possible, as cluster schools or according to other more modern school concepts.

How is it with investments in university construction and nurseries?

In case of potential investments in university construction and nurseries, the funds are once again oriented towards the respective requirement planning as well as towards the quality assurance through the implementation of modern concepts. Secondary uses must have secondary importance to ensure that the main investments actually strengthen the education sector and aim for the highest possible social impact.





ENVIRONMENT

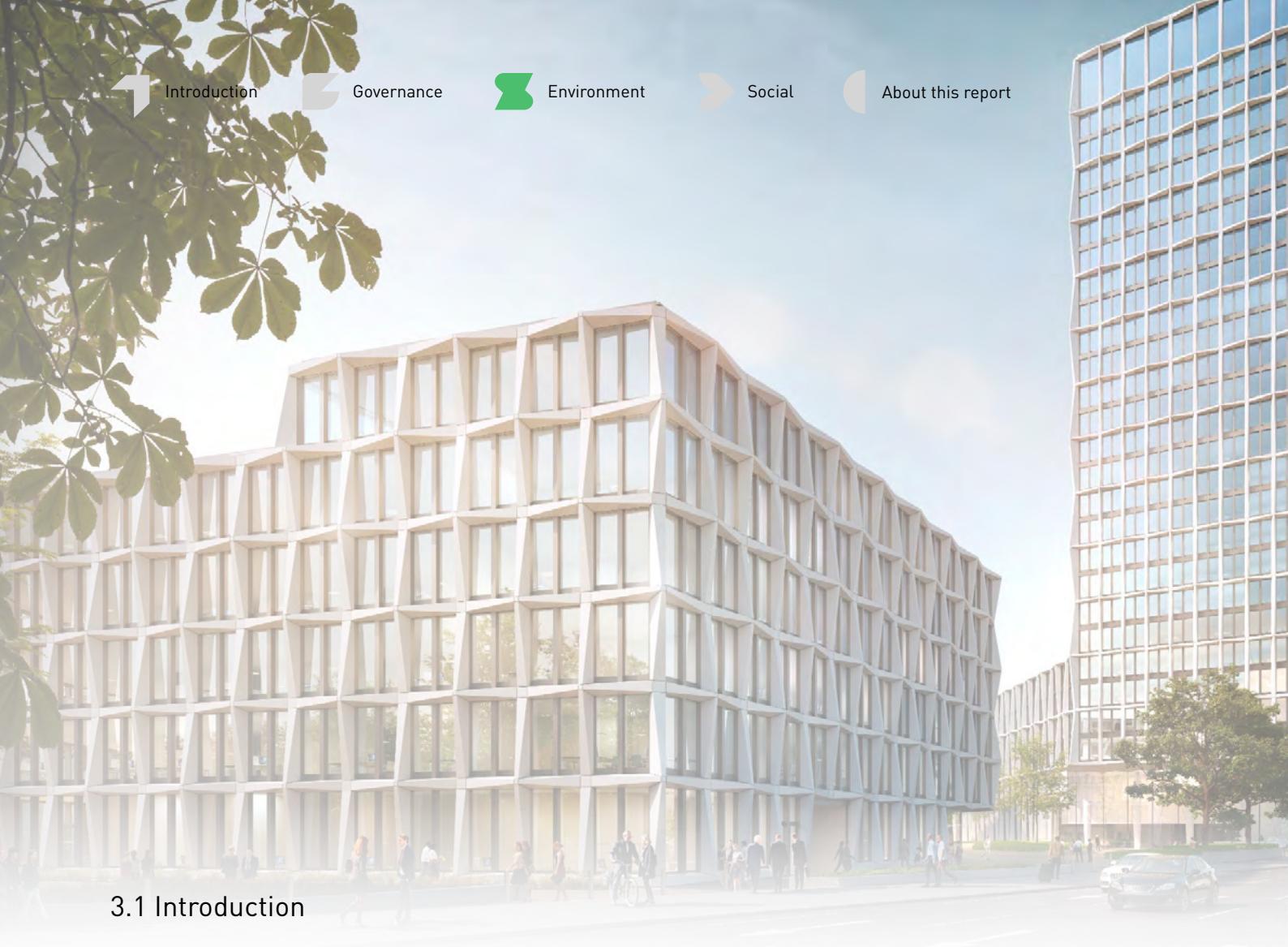


03



At Art-Invest Real Estate, protection and preservation of the environment have a special importance against the consequences of climate change.





3.1 Introduction

At Art-Invest Real Estate, protection and preservation of the environment have a special importance against the consequences of climate change.

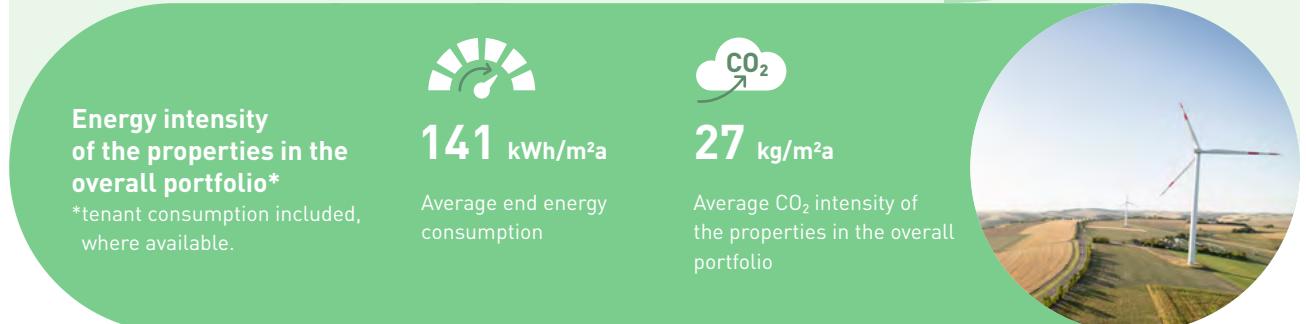
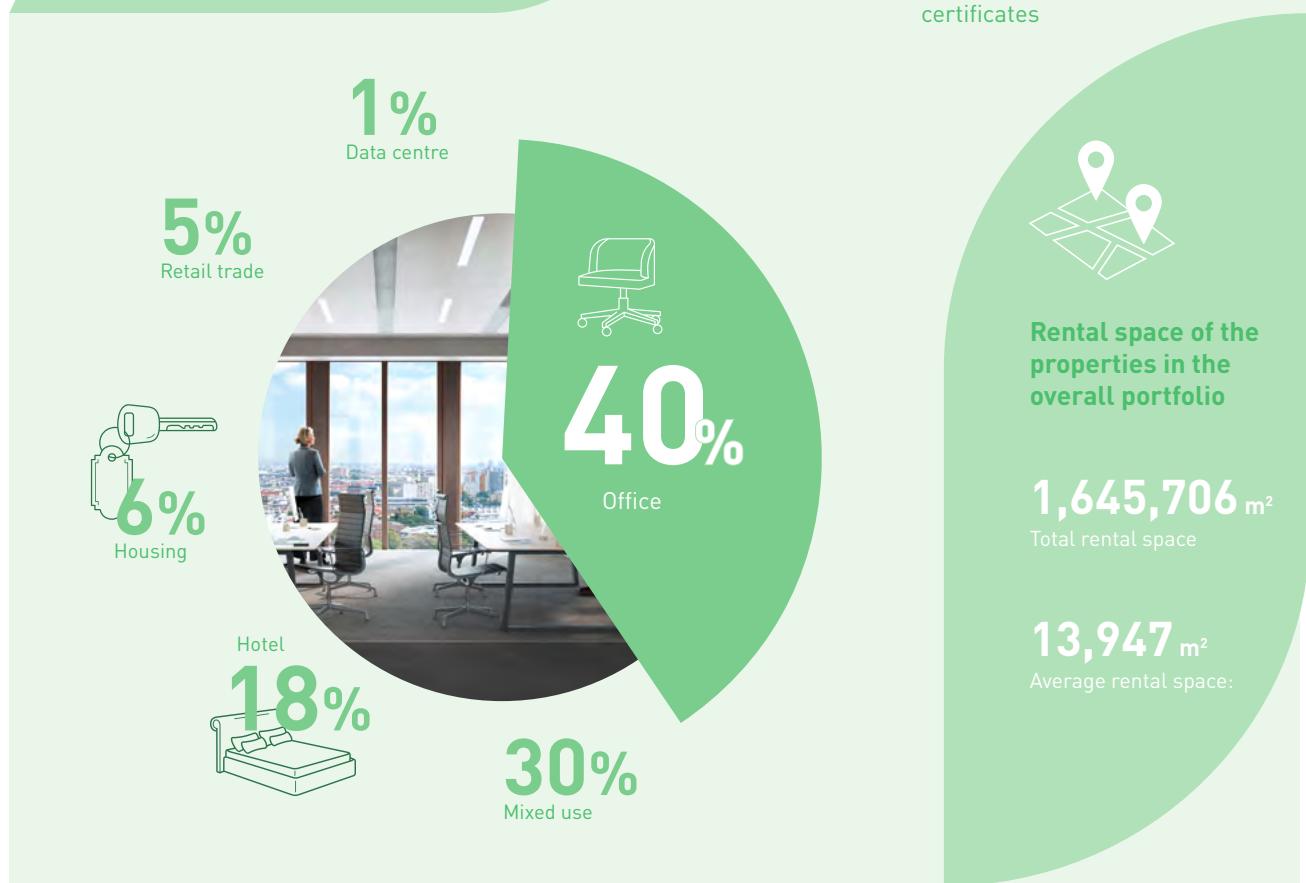
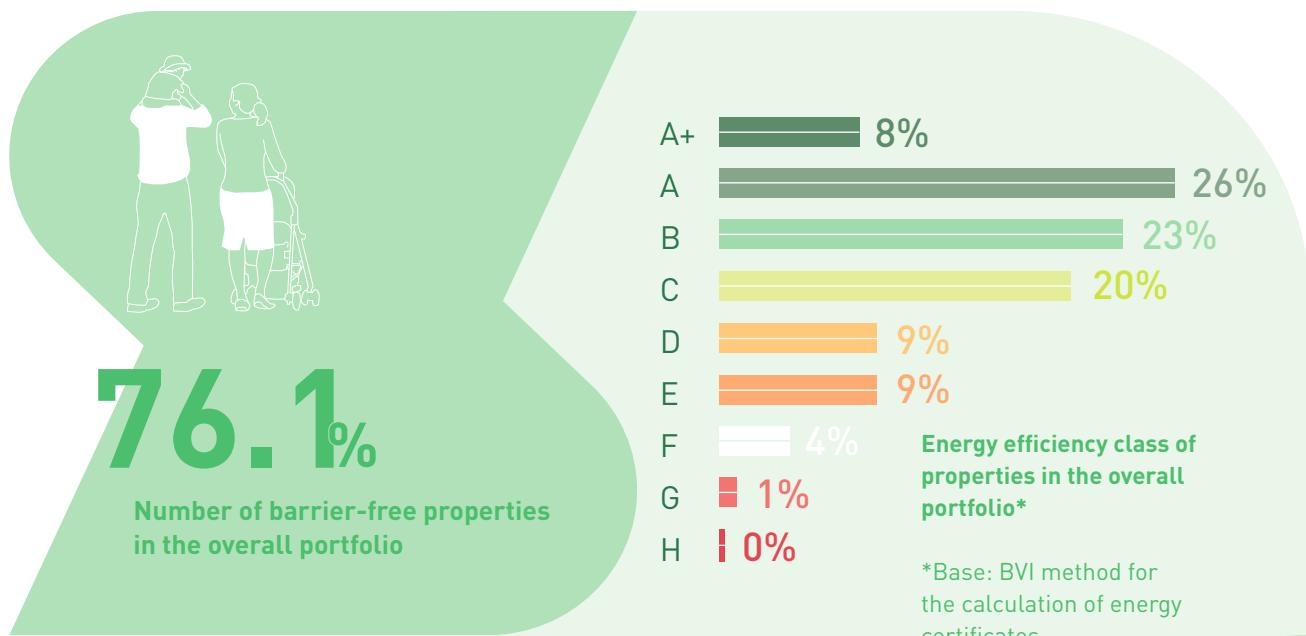
Our commitment towards ecological sustainability shapes every phase of our projects – from their planning to development to management. We consider it to be our responsibility to make a positive contribution to the environment through sustainable property solutions and at the same time increase the quality of life in our cities.

Our approach to environmental responsibility includes numerous initiatives and measures that aim at reducing the ecological footprint of our buildings. These include the reduction of CO₂ emissions, increased energy efficiency, the use of renewable energies as well as the promotion of biodiversity and recycling economy. We attach great importance to using innovative technologies and sustainable materials so as to minimise the environmental effects of our projects. Sustainability for us does not end with the completion of a construction project. Even in asset management, we rely on sustainable management and regular audits

with the aim of optimising the energy efficiency and environment-friendliness of our property portfolios. We use smart-building technologies and work closely with our tenants and business partners in building management in order to meet the requirements and expectations of our customers and users.

We are convinced that taking ecological aspects into account is the key to a successful and sustainable corporate development. Materiality analysis enables us to identify particularly important environmental factors that influence our business activities. Our primary objective is to actively address the challenges of climate change and to create sustainable living and work spaces at the same time. In this section you can learn more about our concrete initiatives and our long-term engagement for a greener future.

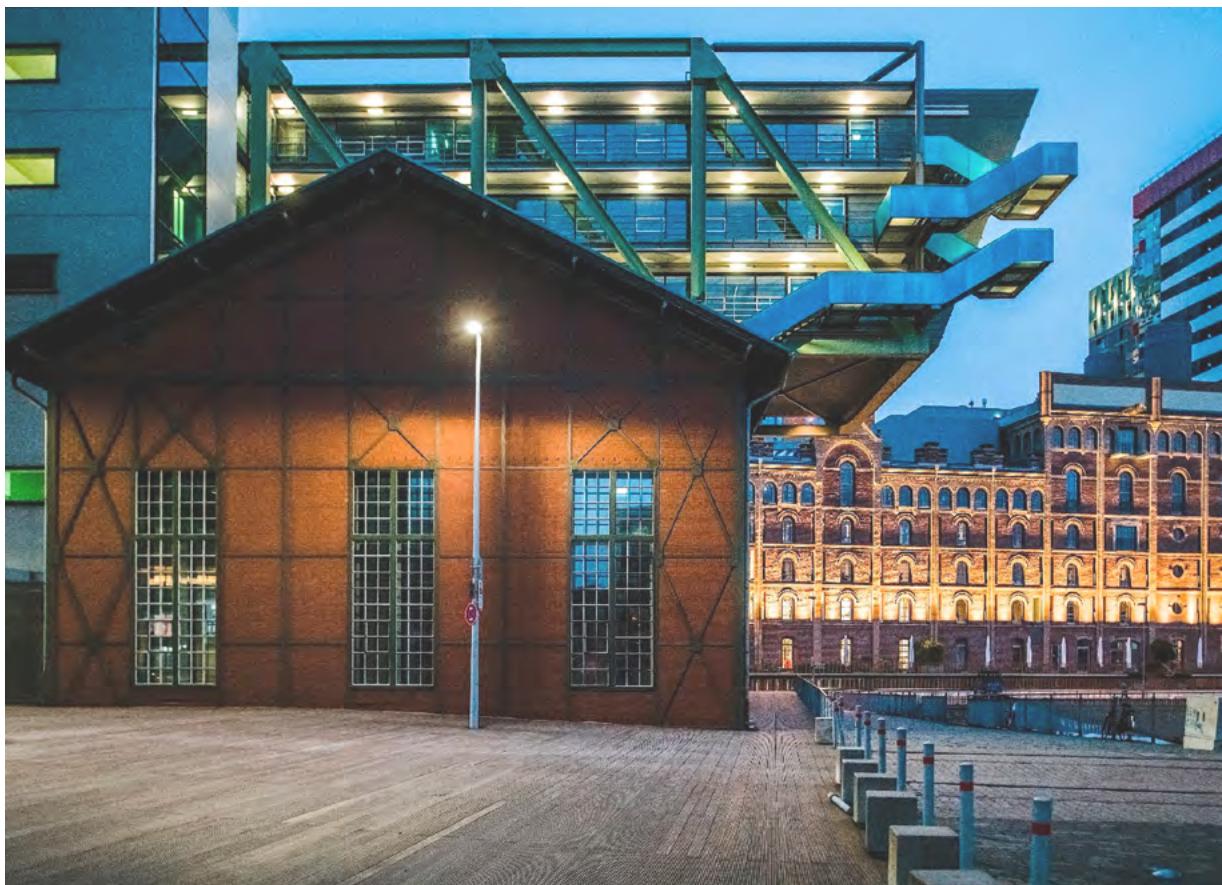
3.2 Properties and development





Our goal is to increase the value of the properties in the long term through specific investments in energetic renovations and, at the same time, to assume ecological and social responsibility. This way, we not only create attractive profits for our investors, but also actively contribute to environmental protection and to the creation of sustainable living spaces.

Purchase of properties requiring (energetic) renovation



CONSIDERATION OF ESG FACTORS AS THE KEY TO LONG-TERM SUCCESS

Acquiring properties that are not only economically viable but also environmentally and socially responsible is central to our portfolio strategies and long-term value creation. To achieve these goals, we have extended our screening procedures to ensure that ESG factors are fully integrated into the acquisition and budgeting processes. Our ESG quick-check serves as the initial screening measure to detect potential 'red flags' early on.

After successfully passing the ESG quick-check, a detailed ESG due diligence is carried out. In this phase we carry out comprehensive analyses in order to identify the need for renovation and the improvement potential in view of energy efficiency and sustainability.

Our experience shows that an early identification and integration of energetic renovation measures is decisive for the long-term success and sustainability of our projects. The findings from the energy assessment are therefore directly included in the budget planning and financing strategy. We calculate the necessary investments for renovation measures, such as the

replacement of heating and cooling systems, the installation of solar systems, improvement in the building insulation as well as the use of energy efficient lighting and smart building technology.

Through this forward planning we ensure that the purchased properties not only correspond to the latest legal requirements, but are also future-proof and make a positive contribution to the reduction of CO₂ emissions. All the results of the purchase due diligence are incorporated in a proposal, and are subject to SWOT analysis. This allows factoring in ESG-specific risks and opportunities as well as an ESG CapEx in the business plan and determining the purchase price. We thus acquire properties that stay profitable in the long term, especially after a possible optimisation.



Portfolio management

At Art-Invest Real Estate, sustainable portfolio management is paramount. We believe that responsible management of our portfolio properties not only offers ecological advantages, but also creates economic added value in the long term. Our approach combines innovative technologies, energy-efficient management and assumption of responsibility in order to create sustainable user-friendly spaces for our tenants.



CLIMATE RISK ANALYSIS

An integral part of our portfolio management is carrying out regular climate risk analyses. These analyses help us to identify potential risks from climate change and take appropriate measures. For example, we take protection against extreme weather events into account when planning renovation and modernisation projects in order to increase the resilience of our properties.



TESTING THE USE OF RENEWABLE ENERGIES ON SITE

An integral part of our energy efficiency strategy is the use of renewable energies on site. For each of our existing properties, we evaluate the possibilities of utilising renewable energy sources directly on site. This includes the installation of solar modules on roofs and façades, as well as the retrofitting of water pumps. With these measures we not only reduce the CO₂ footprint of our building, but also make ourselves more independent from external energy suppliers.



ENERGY EFFICIENCY

We rely on the latest smart-building technologies, which allow us to monitor and control energy consumption in real time. Energy management systems help us to identify saving potentials and to implement targeted measures for energy consumption reduction. This includes the optimisation of heating, ventilation and air conditioning systems, as well as the use of energy efficient lighting.



SUSTAINABLE WATER MANAGEMENT

Another important aspect of our sustainable portfolio management is water management. We implement strategies to save and recycle water, similar to our new buildings. This includes the installation of water-saving fittings, the use of rainwater and the implementation of modern irrigation systems with the objective of minimising water consumption.



TRANSITION TO A CIRCULAR ECONOMY

We actively promote reuse and recycling of materials in our portfolio buildings. In case of renovations and modernisations, we ensure that materials are reused and recycling processes

are optimised. This reduces waste and conserves valuable resources, which resonates with our goal of supporting the transition to a circular economy.



PREVENTION OF ENVIRONMENTAL POLLUTION

We implement specific measures for the reduction of environmental load through our portfolio buildings. These measures include the minimisation of emissions, the use of environment-friendly cleaning materials and the promotion of sustainable transport options for our tenants and employees.



PROTECTION OF ECO-SYSTEMS AND BIODIVERSITY

During the management of our portfolio properties, we take the effects on the local fauna and flora into account. We initiate measures to promote biodiversity, e.g., by creation of green spaces, green roofs and façades.



INTEGRATION OF SMART TECHNOLOGIES

With the integration of smart technologies, we optimise the operation and maintenance of our portfolio properties. Intelligent systems for building monitoring and control improve energy efficiency, increase user comfort and enable proactive maintenance, which saves costs and conserves resources in the long term.



PRIMARY SUSTAINABILITY GOALS

Our portfolio management significantly contributes to the achievement of the primary sustainability goals of Art-Invest Real Estate. We endeavour to reduce the CO₂ emissions of our portfolio properties in the long run, increase their energy efficiency and make a positive contribution to environmental protection. Through transparent communication and the involvement of our tenants and stakeholders, we promote sustainable behaviour and motivate all involved parties to actively contribute to environmental protection.



Sustainability mission and goals

Within the scope of our portfolio management, we actively endeavour to contribute to SDG11 'Sustainable Towns and Authorities', to SDG13 'Measures for Climate Protection' as well as to SDG15 'Life on Land'.

We are actively committed to reducing our CO₂ emissions, increasing energy efficiency and making a positive contribution to protecting the environment. By the end of 2025 we will develop targeted decarbonisation strategies for a majority of our property funds to lay down concrete measures for the reduction of CO₂ emissions in the portfolio. Our objective is to make a positive contribution to environmental protection through the responsible management of our portfolio properties and, at the same time, to increase the long-term value

of our properties. We attach great importance to innovative technologies, energy efficient management and comprehensive sustainability strategies.



Need for data

In today's world, linking sustainability and digitalisation is vital for effective property management. At Art-Invest Real Estate, we have realised that data-based strategies and digital solutions are decisive to achieve our sustainability goals. These approaches offer significant potential to increasing efficiency and data availability.

ENERGY MANAGEMENT AND OPERATION OPTIMISATION

Recording the current property portfolio poses considerable challenges for the sector when it comes to reporting. Consumption data from properties is now not only relevant for billing purposes and incidental costs, but also serves as an important decision-making basis for property owners. A well-founded data base is a prerequisite to implement specific measures for the improvement of energy efficiency, and to continuously reduce the CO₂ footprint of our buildings. Digital solutions such as Smart Metering help in meeting these requirements and in increasing the consumption data coverage. Thus, the legal Smart Meter roll-out is not only essential for energy consumers and network operators, but also for property owners. The strategy of Art-Invest Real Estate lies in digitalising the main meter level using Smart Metering, and in standardising it via a competitive meter operator. This approach allows the replacement of the manual recording of consumer data on site bit by bit. At the same time, there is an option to directly obtain relevant data about interfaces to energy suppliers. A combination of both approaches will lead to a reliable data basis for property portfolio in the coming years.

The next step involves the implementation of an ESG platform to aggregate the property data at the portfolio level, to evaluate it, and to provide it for corresponding reporting. With our partner deepki, we will map this portfolio level and not only utilise the data for reporting, but also to derive measures for energy optimisation at the property level.

Scalable measures include the optimisation of pre-existing building technology and a digital energy management system. Over the years, many office buildings have been repeatedly technically modernised and adapted to new conditions like change of use during operation. This often results in inefficiencies in the building operation. To identify these, a continuous analysis of the building automation data, as well as a thorough understanding of how it is to be interpreted, are required.

This is exactly where aedifion's solution comes into play, analysing building operation for inefficiencies and potential for improvement. With the use of artificial intelligence, raw data is converted into accurate recommendations for actions for the building operator, or the building operation is optimised on its own. More than 135,000 data points per minute from ten buildings from our portfolio are currently fed into the aedifion platform. The solution enables us to identify average savings potential of 15 to 20% and thereby create sustainable added values for our tenants.

GREEN LEASE INITIATIVES

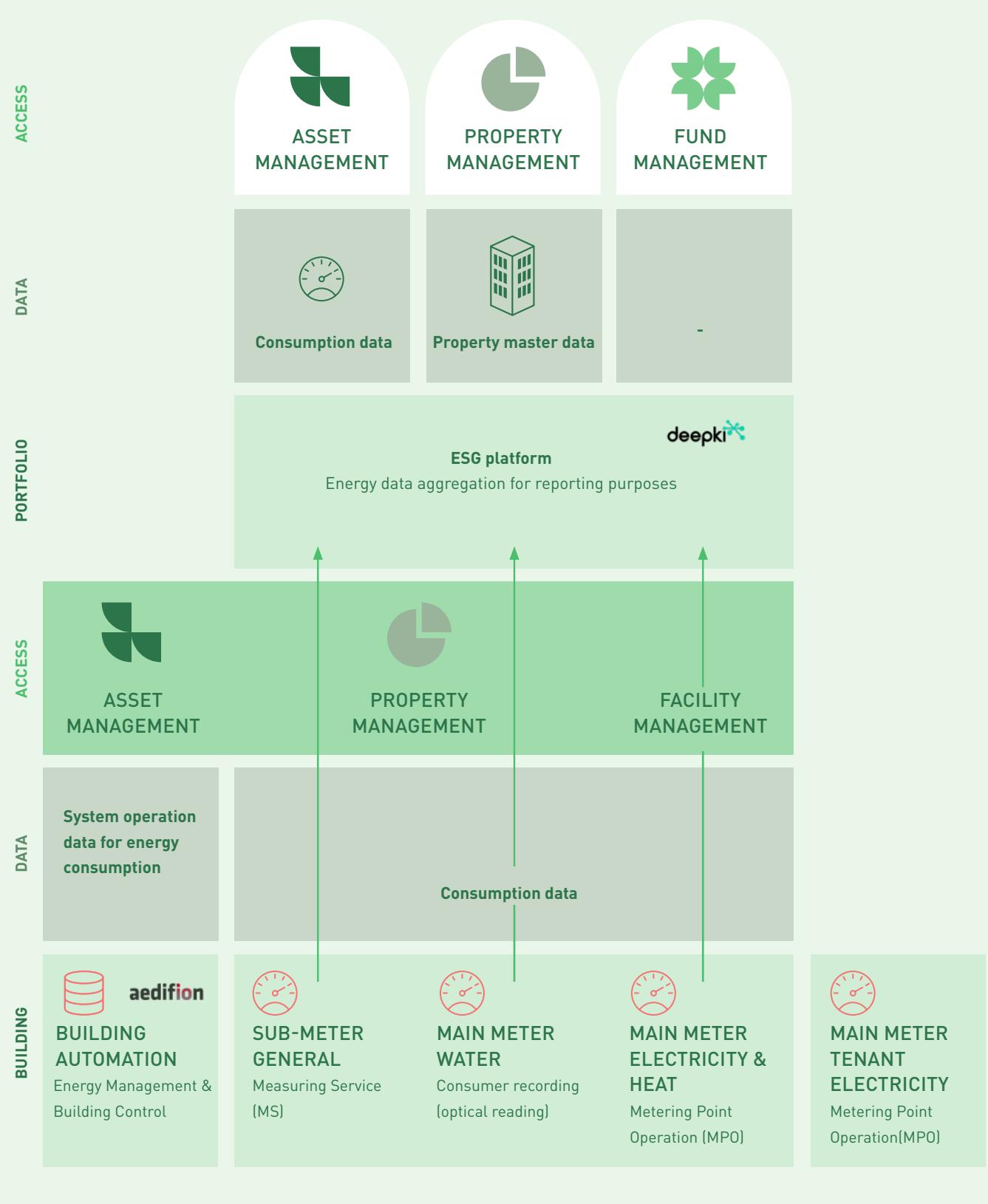
Sustainability begins with drafting of contracts. We have introduced the Green Lease Standard for all new contracts and are adapting our existing ones step by step. The goal is to anchor ecological and sustainable practices in the rental agreements. The Green Lease Standard contains regulations for efficient use of resources and for the reduction of emissions.

ACTIVE TENANT DIALOGUE

We believe that the key to a sustainable building operation lies in the active integration of our tenants. We promote awareness for resource efficiency and sustainable behaviour through an intensive tenant dialogue. We regularly share consumption data and best practices to motivate our tenants to make their contribution to sustainability.



ENERGY MANAGEMENT





“You cannot manage what you don't measure.”

Verdict

With a combination of these approaches – data-supported energy management, sustainable tenant agreements and active tenant dialogue – we are creating a solid foundation for the continuous improvement of sustainability in our property portfolio. We are convinced that this digital and data-based approached is decisive to achieve our ambitious sustainability goals and, at the same time, to increase the value of our properties in the long term.

ESG roadmaps



CHARTING THE COURSE OF SUSTAINABILITY

Art-Invest Real Estate supports more than 135 properties in coveted locations, including about 100 portfolio properties. In an interview, Christina Wendland, Senior ESG Manager at AIREM explains how the company meets the requirements and expectations related to ESG, which instruments are used for it and the advantages it brings for all stakeholders.

To begin with, could you give us an overview of the current state of sustainability when it comes to portfolio properties? Which challenges and opportunities do you see in this field?

In Germany we see a considerable need for action to achieve climate goals. German property portfolios need considerable energy-efficient renovation. The building sector represents about 40% of the CO₂ emissions in Germany, which underlines the urgency to optimise the energy efficiency of existing properties. At the same time, modern technologies and promotional programmes present many opportunities to increase energy efficiency and reduce operating costs.

How have the expectations and requirements of investors and tenants panned out in relation to sustainability in the last few years? What role does ESG play in this context?

The expectations have increased considerably. Investors and tenants increasingly demand transparency and concrete sustainability measures. Tenants are increasingly looking for environment-friendly and energy efficient properties, which increases the pressure on renters to adhere to sustainable standards. This leads to ESG factors not merely being considered as a compliance requirement, but as a real source of value addition.

Which role do energy efficiency and CO₂ reduction play in the ESG strategies for portfolio properties? Are there any concrete legal requirements or incentives that play a role here?

Energy efficiency and CO₂ reduction are important elements of every ESG strategy. The EU taxonomy and the Paris Agreement establish clear framework conditions to achieve the climate goals. CO₂ pricing will also continue to increase,

which makes investments in energy-efficient technologies and measures even more crucial. These developments make it imperative for property owners to continuously review and adapt their sustainability strategies. We at Art-Invest Real Estate have developed our own ESG roadmap precisely for this reason.

What exactly is the AIRE ESG roadmap?

The ESG roadmap is an internal tool that we have developed to enable asset and property managers to design and implement tailor-made ESG strategies for every individual property. It concerns an individualised plan that aims at adhering to the objectives of the EU taxonomy and the Paris Agreement. At the same time, it takes into account long-term goals for the optimisation of energy efficient buildings and defines clear measures in answer to the changing climate-political regulations.

What is your approach for the creation of an ESG roadmap?

Our approach is a holistic one. We start with a thorough assessment of several key factors:

- Building construction
- Technical building equipment
- Energy efficiency
- CO₂ intensity in the life cycle
- CO₂ tax, including prognosis for the coming years

Moreover, we assess the potential of a property with respect to potential sustainability certificates and ESG ratings such as the GRESB assessment. Based on these assessments, we create short-, medium- and long-term goals, which allow a structured and effective approach for sustainable property management.

Which added value does the ESG roadmap offer for the teams and the investor?

The added value is manifold: Asset managers receive a powerful tool to take well-founded decisions and successfully optimise property portfolios. The roadmap gives them a clear direction of how they can integrate sustainability aspects into their strategy. Our investors are given a clear and convincing ESG strategy, which shows how and which investments contribute to sustainability. For investment decisions, this is vitally important in times of increasing focus on ESG criteria. Property management receive concrete instructions that show how properties can be managed in line with sustainability. And last but not the least, the property itself is optimised with respect to energy efficiency through the implementation of the roadmap, which can lead to cost savings and an increase in its value.

How is your ESG roadmap different from other approaches in the market?

Our approach is characterised by its holistic nature and forward-looking aspects. We not only take the present standards of properties into account, but also forecast future developments such as CO₂ tax development in the coming years. Moreover, we take the sustainability goals relevant for our portfolio properties into consideration,

which allows a comprehensive assessment of the overall portfolio. Another difference lies in the customisation: Each roadmap is specifically created for the respective property, by taking into account its unique features and potentials. The ESG roadmap pursues long-term goals like optimisation of building energy efficiency and the adaptation of the changing climate-political regulations. A sustainable and forward-looking approach for property management is guaranteed by defining short-, medium- and long-term goals.



Our investors are given a clear and convincing ESG strategy that shows which investments contribute towards sustainability.



Christina Wendland,
Senior ESG Manager, Art-Invest Real
Estate Management



SHAPE THE FUTURE WITH THE 'MANAGE TO SUSTAINABILITY' STRATEGY

Our 'Manage to Sustainability' strategy (MTS strategy) aims to achieve measurable and positive social and ecological effects along with economic profits. As opposed to the traditional 'Manage to Core' strategy, where focus is primarily on the generation of attractive profits, the MTS strategy adds the components of EU taxonomy, environmental and resource-conserving operation, but also the social aspects of users. At the end of the value creation process, we should have a sustainable and EU taxonomy-compliant property in a very good location, which

indicates a high property quality and stable letting situation. This secures marketability, and the economical potentials (Green Premium) can be boosted.

An excellent example of the implementation of this strategy is the MACO 1927 project.

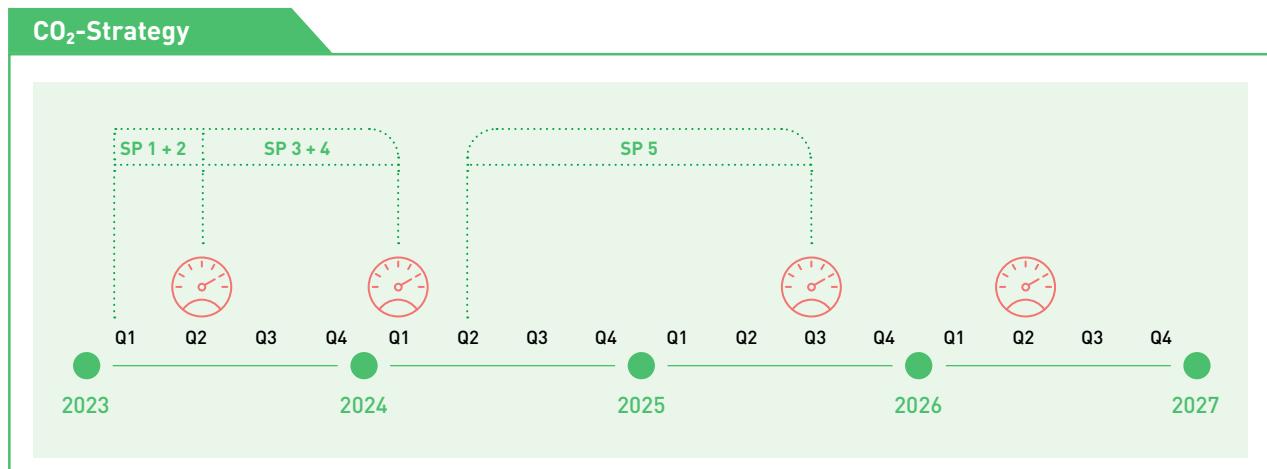


Flagship project: MACO 1927, Cologne

The MACO 1927 project, located in the historic Machabäerstraße in Cologne, saw the sustainable transformation of an existing building into a modern and environment-friendly property. The building located in the Machabäerstraße 19-27 was built in the year 1927. The building suffered great damage during World War II, was restored after the end of the war and then thoroughly renovated in the 1970s. The currently 17,000 m² building is to be developed into a modern, future-oriented office and work location. The historic building, which has already been operational for about 100 years, will be home to modern, fully-flexible inner-city workspaces. Moreover, the building will also have co-working spaces

as well as food and beverage offerings for its tenants and visitors.

With a focus on ecological, economical and social sustainability, the project demonstrates how trendsetting construction and resource-conserving technologies can be harmoniously combined. The renovation and transformation of the building pursues the objective of reducing the CO₂ emissions significantly and maximising the resource efficiency. A part of this approach is to follow a comprehensive CO₂ strategy that, through regular interim assessment of the CO₂ consumption during the entire life cycle, ensures the set sustainability goals are effectively implemented and continuously improved.





A central aspect is the use of the existing bearing structure made of concrete and steel, which contributes to a saving of about 60% of the original emissions. The additional components are primarily made of timber, which is not only ecologically practical but also further improves the building's carbon footprint.

Another highlight of the project, which is aiming for DGNB Gold certification, is compliance with high energy standards. Thus, the building is renovated in accordance with the Efficiency house 40 standard, which results in high energy savings and a significant reduction in energy requirements. This concept is complemented by the installation of a photovoltaic system, which covers part of the energy requirements directly on site with solar energy and thus promotes the use of renewable energies.

Smart building automation also plays a key role in the sustainability concept of MACO 1927. Intelligent sensors and control systems optimise the energy consumption by adapting the lighting and air conditioning, for instance, in a needs-based manner. This not only leads to a reduction in the operating costs, but also significantly contributes to resource conservation.

In the field of mobility, the MACO 1927 project relies on sustainable and future-oriented solutions. An infrastructure for bicycles is created, which includes a special bicycle room

and self-repair facilities among other things. These measures promote environment-friendly ways to get around, and contribute to reducing the CO₂ footprint of users.

Special attention is also given to the health and well-being of the building users. The building integrates fitness areas and common areas, which contribute to promoting a healthy way of life and improving social living. These aspects are not only important from a health standpoint, but also strengthen the sense of community satisfaction and contentment of the users.

The MACO 1927 project in Cologne shows how holistic and sustainable planning can help create a modern and environment-friendly building that meets the requirements of the present times and sets standards for future projects in the urban space. The completion of the project is planned for mid-2026.



Project developments and new construction measures

At Art-Invest Real Estate, we understand project developments and new construction measures as unique opportunities to implement sustainability from scratch and to set future-oriented standards.

While energy efficiency and CO₂ reduction in building operation are central elements of our portfolio management, we place a special focus for our new construction projects on the sustainable use of resources, the reduction of 'embodied carbon' and the promotion of circular economy and biodiversity. Our strategy aims at achieving holistic sustainability, which integrates and promotes ecological as well as social aspects.

FOCUS TARGET RESOURCES

The efficient use of resources is at the heart of our new constructions. We rely on sustainable materials, which are not only convincing for their longevity but also for their environment-friendly manufacture and procurement. We take into account the overall life cycle of the construction materials, right from their production to their processing to their disposal or recycling. This approach minimises the resource consumption and facilitates a sustainable construction method.



EMBODIED CARBON

An important aspect of our new construction strategy is the reduction of 'embodied carbon', i.e., the CO₂ emissions generated in the entire life cycle of a building. We would like to reduce the climate-relevant impact of our new buildings by using innovative construction materials that release less CO₂ during manufacturing. Our project development teams continuously work to find new ways to minimise the CO₂ footprint of our buildings from planning right up to completion.



CREATION OF SUSTAINABLE, HEALTHY WORKING ENVIRONMENTS

A further focus of our project development lies on the creation of sustainable and healthy working environments. Our buildings are designed such that they promote the well-being and productivity of the users. We accomplish this through the integration of natural light sources, flexible space design and the creation of green indoor and outdoor areas. These measures contribute in creating healthy and inspiring working environments, which meet the demands of a modern and sustainable working environment.



CIRCULAR ECONOMY

The circular economy is an important aspect of our new construction projects. With any plan we promote the analysis of reuse and recycling of construction materials so as to reduce waste in future, and to conserve resources.



INNOVATION, RETHINKING AND STRATEGY EXPANSION

Our new construction projects are characterised by innovation and constant rethinking. We constantly expand our strategies to integrate the latest knowledge and technologies in the field of sustainable construction. This includes cooperation with research institutes, PropTechs, participation in pilot projects and the use of digital planning tools, which allow a precise and resource-conserving construction method. This innovative capacity ensures that we always have our finger on the pulse and our projects meet the highest sustainability standards.



BIODIVERSITY AND URBAN ECOSYSTEMS

A special emphasis lies on the integration of biodiversity concepts in our projects. We create green oases in urban spaces and give the local flora and fauna a home, thereby contributing to the improvement of the urban microclimate. Roof and façade greening as well as water management concepts are integral components of our planning.



Sustainability mission and goals

Our project development and new construction activities aim at promoting SDG11 'Sustainable Towns and Authorities' and at driving forward a sustainable urban development, which benefits all interest groups. Moreover, our activities aim at making a contribution with respect to the goals of SDG13 'Measures for Climate Protection'.

To ensure that our new construction projects are sustainable, we orient ourselves to an internally developed guideline for sustainable construction. This guideline has a long-term objective of developing zero-emission houses and thereby reducing overall GHG emissions. Moreover, we introduce step-by-step adherence to the taxonomy standards as the auditing

standard. This ensures that our projects are not only ecologically and socially sustainable, but also remain competitive in the long term.

By implementing these standards we ensure that our construction and development projects correspond to the current and future market demands.





Resources

The sustainable use of resources plays a central role in our project developments and new construction measures. Our approach goes far beyond the use of energy-efficient technologies and includes an all-round strategy for the reduction of environmental effects by the targeted use of sustainable construction materials, the optimisation of construction processes and the implementation of innovative technologies.

CONSTRUCTION MATERIALS

We evaluate the preferred use of sustainable and environmentally friendly building materials as early as the planning phase of our new construction projects, whereby we take into account the greenhouse gas emissions over the entire life cycle of the materials. This includes the use of alternative materials such as timber elements instead of reinforced concrete elements. Here, an ecological

assessment serves as a systematic method to assess the environmental effects of a property over its entire life cycle. This analysis involves all phases right from material production to the use to disposal. Our goal is to facilitate a comprehensive consideration of the environmental effects so as to make well-founded decisions for the improvement of sustainability.

Engagement for sustainable concrete construction: Membership in the 'Sustainable Concrete Leaders' network



Concrete is the most frequently used construction material the world over. However, the manufacturing of concrete is also linked with considerable greenhouse gas emissions, which heavily pollutes the environment. Against this background, the development and use of more sustainable concrete solutions is of utmost importance for climate protection and the reduction of the ecological footprint of the construction sector.

We are proud to be a part of the first signatories of the 'Sustainable Concrete Leaders' network. This network brings together innovative and sustainability-oriented market players, who have dedicated themselves to the task of reducing the environmental effects of using concrete and cement in construction. Through cooperation with like-minded companies and the use of advanced technologies, we set new standards for sustainable construction.

Greentech company alchemy uses AI-supported software to enable cement and concrete plants to monitor their production processes in real time, so as to produce significantly more sustainable and lower CO₂ products..

With membership in the network we not only wish to design our own products more sustainably, but also have a positive influence on the entire building industry. We believe that the future of construction must be sustainable, and stand up with passion and commitment to actively take part in this change. At Art-Invest Real Estate, we also rely on innovative technologies and strong partnerships in order to achieve our environment goals and to make a significant contribution to the reduction of CO₂ emissions in the building sector.

MATERIAL OPTIMISATION

With the optimisation of the materials used, we aim for significant savings in the shell construction. An example here is the use of plastic displacement bodies in roofs, which reduce the material usage and at the same time guarantee the stability and functionality of the component parts. In addition, we attach great value to preservation, e.g. that of the shell, in order to minimise the use of new materials and to conserve resources.

MAXIMISATION OF ALTERNATIVE USE

Another objective of our building projects is to ensure a high degree of alternative use. We guarantee through flexible room concepts and modular construction methods that our buildings can be easily adapted to changing usage requirements. A good connection to public transportation (ÖPNV) is another important aspect here to increase the accessibility and appeal of our buildings.

WATER AND WASTE MANAGEMENT

Even if Germany is not affected by water stress, we think it is our responsibility to practice sustainable water management. This includes setting up rainwater collection points to water outside areas, as well as the implementation of strategies for saving and reusing water. Similarly, we also implement measures for the reduction and prevention of waste by promoting recycling programmes and relying on reuse of materials.

Verdict

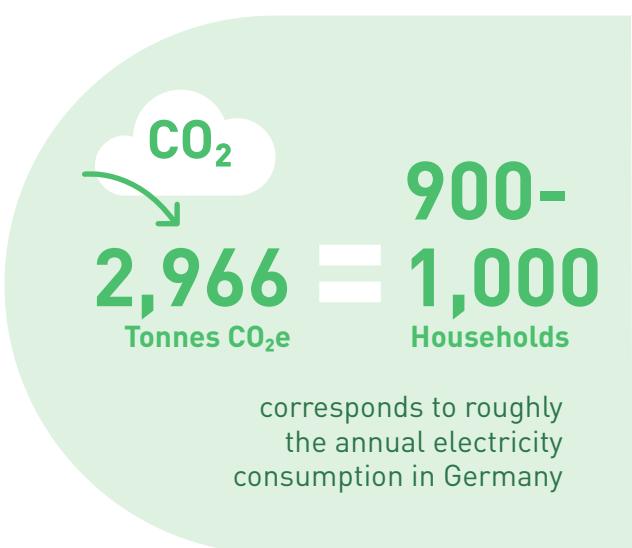
With these comprehensive approaches in the use of resources, we not only contribute to the reduction of environmental impacts but also create future-proof and sustainable building projects that meet the high demands of ecological and social sense of responsibility.





Flagship project: Macherei Berlin-Kreuzberg – M40

In our Macherei Berlin-Kreuzberg – M40 project we have consciously focused on the reduction of the grey emissions. By carrying out the ecological assessment in the earlier planning phase we could determine the advantageousness of a wood-hybrid design and compare other materials during the course of the execution phase, so as to continuously optimise grey emissions. As compared to a conventional new steel skeleton construction, we could save **2,966 tonnes of CO₂e**.



ECOLOGICAL ASSESSMENT

Here, an ecological assessment is a systematic method to assess the environmental effects of a property over its entire life cycle. This analysis involves all phases right from material production to the use to disposal. The objective of ecological assessment is to facilitate a comprehensive and holistic consideration of the environmental effects to make well-founded decisions for the improvement of sustainability.

The ecological assessment can be differentiated between grey emissions and operational emissions.

Grey emissions include the materials of a building including its construction (A1-A5), its scheduled maintenance, use and replacement within the 50-year life cycle of the building (B1-B5), as well as its dismantling and disposal at the end of the life cycle (C1-C4). The operational emissions occur during the usage phase and include the complete energy consumption of the building (B6). Module D includes the advantages from the use of materials at the end of the life cycle (D1-D2).

Phases of ecological assessment:

A PRODUCTION OF BUILDINGS

Production phase

- A1 Raw material provision*
- A2 Transport*
- A3 Production*

Construction phase

- A4 Transport
- A5 Installation

B

USAGE PHASE OF THE BUILDING

B1 Use

- B2 Maintenance
- B3 Repair
- B4 Replacement***
- B5 Reconstruction/Renovation

B6 Operational consumption of energy*

- B7 Operational consumption of water*

D

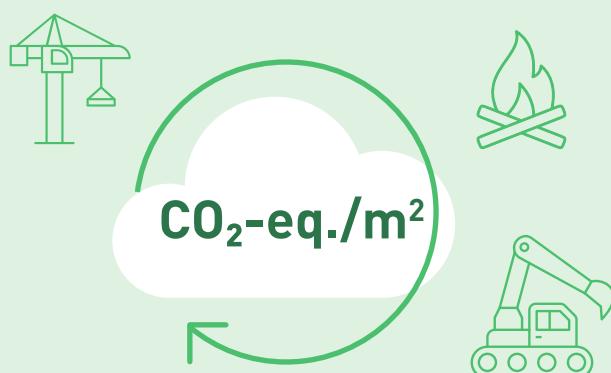
OUTSIDE THE BUILDING LIFE CYCLE

- D1 Advantages of use outside the system boundaries
- D2 Advantages of exported energy

C

DISPOSAL PHASE OF THE BUILDING

- C1 Demolition
- C2 Transport
- C3 Waste management***
- C4 Disposal***



*Included in the MBK ecological assessment.

475
kg CO₂e/m²



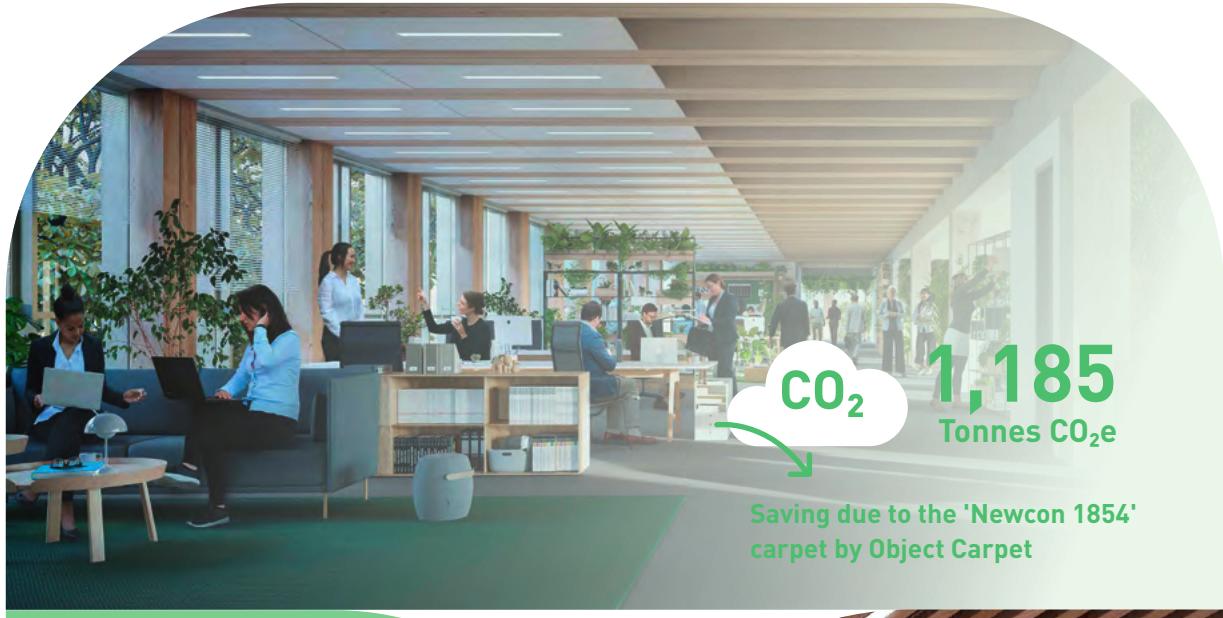
grey emissions M40
incl. tenant fit-out
(as per phantom planning)
and excl. PV

2,966
Tonnes CO₂e



are saved compared to a
conventional new steel
skeleton construction



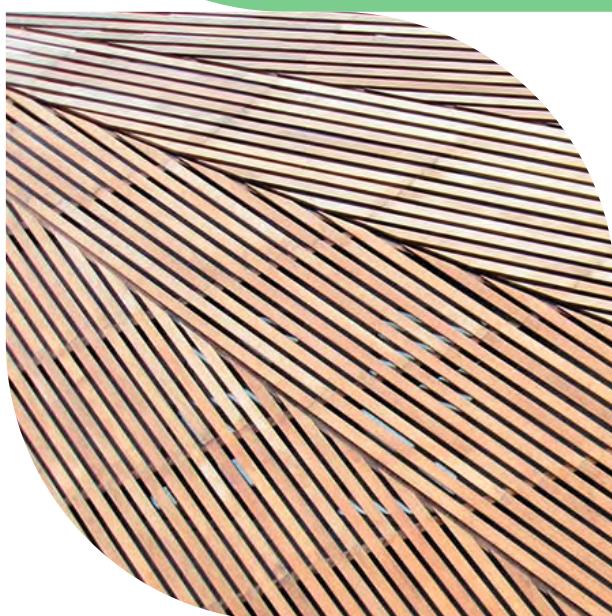


INDIVIDUAL FINDINGS FROM THE FLAGSHIP PROJECT



388
Tonnes CO₂e

Saving
in the foundation
on account of
lower weight



1,490
Tonnes CO₂e

Saving in bearing
structure due to
the timber-hybrid
structure



Innovations

We had a conversation with Felix Brinkmann, Innovation Manager at AIREM, to find out how innovations and technologies contribute to achieving sustainability goals in the property sector. During the interview he touched upon critical perspectives related to smart technologies.



In essence, our Smart-Building strategy involves the practical linking of technologies in buildings.

Mr Brinkmann, what role does the topic 'innovation' play in the implementation of sustainability topics in the property sector according to you?

Each practical innovation pursues a specific use or added value for the most important stakeholders of a property. Over recent years, the topic of sustainability and the associated measurable added values have established themselves as core arguments for the implementation. Technology is one of the most important enablers for the topic of sustainability – starting with Smart-Building technology through photovoltaic systems on the roof to electromobility.

You mentioned Smart-Building technology – how important is its use in new constructions and old?

In essence, our Smart-Building strategy involves the practical linking of technologies in buildings. Buildings should deliver the

latest information about their condition, energy efficiency and user comfort at all times and, in the future, should also be able to independently respond to errors in the system. They allow operating buildings more efficiently, saving energy and increasing user comfort. At the same time they deliver important data like the strategic basis for decision-making for renovation and optimisation measures to the asset management and owners.

However, there is still repeated criticism that the excessive use of technology is not really more sustainable – what is your take on this?

Even when it comes to smart buildings, it is never necessarily about using more technology. The focus is rather on using the right technology and practically linking it. This is the only way to bring sustainability and efficiency under one banner. In new constructions as well as in property redevelopment, we always take a close



Felix Brinkmann, Innovation Manager,
Art-Invest Real Estate Management

look at what we wish to achieve. For instance, one of the goals can be an energetic standard and technology can help us in achieving it. However, technology will not tackle this aspect by itself, but only when combined with other constructive features of the building. Technology must fit or blend in the overall concept of the building.

the digital recording of consumption data to the retrofitting of an intelligent building automation system to a needs-based control of the building automation on the basis of sensor technology from the rental areas. Only a needs-oriented approach can help ensure that technology is not merely implemented as an ultimate goal, but for concrete applications.

How can this concept be implemented in the already built portfolio?

Innovations and technology concepts must be integrated in the portfolio step-by-step, and can grow with the user requirements and the increasing sustainability criteria. Starting with



Integration of electromobility in sustainable Smart Buildings and in the location management



RESEARCH PROJECT GREEN4EVER WITH SAP, WEBASTO & HOCHSCHULE KARLSRUHE (KARLSRUHE UNIVERSITY OF APPLIED SCIENCES)

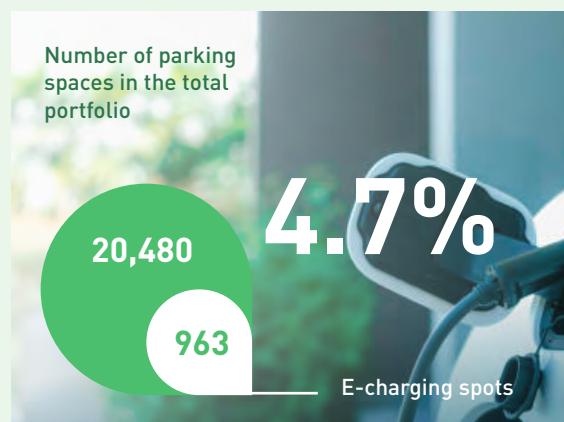
AIREM has been involved in a research project funded by the Federal Ministry for Economic Affairs and Climate Protection as part of the 'ICT for electromobility' technology programme for almost three years. The Green4Ever research project aims at the development and practical testing of comprehensive energy and infrastructure management for electromobility as an integrated component of modern location and property management processes.

For this purpose, the project partner SAP has initiated the development of a prototypical, cloud-based software that can be used for the operation of charging points in the context of commercially used properties. This is currently being tested within the scope of a field test in an Art-Invest Real Estate project in Frankfurt. Webasto provides the hardware for this in the form of wallboxes and is also exploring the use of battery storage in the charging context. The Karlsruhe University of Applied Sciences supports the field testing with interviews and questionnaires for evaluating user behaviour. In addition to the control and evaluation of the charging processes, different scenarios are tested and the acceptance of drivers for sharing models is evaluated.

Since the introduction of the GEIG (Building Electromobility Infrastructure Act) in the year 2021, charging points for residential and non-residential

buildings from a specific number of parking spaces is mandatory. In future, the provision of charging infrastructure in buildings will also have an effect on the building value. Taking into account the pre-existing parameters on the site and the tax conditions, the inclusion of a consulting firm is recommended.

We are pleased with the information on the topics of load management via smart charging, prioritisation of vehicles, maintenance and reservation of charging stations. SAP has already presented the first findings at conferences in Oslo and Sacramento.





Sustainability certificates

Our commitment to developing and managing ecologically, socially and economically responsible projects is reflected in our consistent implementation of sustainability certificates. At the same time, the assurance of the taxonomy capability of a property is becoming increasingly important.

SUSTAINABILITY CERTIFICATES IN NEW BUILDING PROJECTS

In our new building projects, we attach great importance to implementing sustainability certificates. We rely on internationally accepted standards like LEED (Leadership in Energy and Environmental Design), DGNB (German Sustainable Building Council) and BREEAM (Building Research Establishment Environmental Assessment Method). The suitable certificate is selected depending on the specific market requirements and the expectations of our stakeholders. Our new building projects go through careful planning and construction phases to meet the criteria of these certificates.



SUSTAINABILITY CERTIFICATES IN EXISTING BUILDINGS

Even in existing buildings, we continuously check whether DGNB, LEED or BREEAM certification is useful and feasible. Although the certification of existing buildings poses a special challenge, it offers considerable advantages with respect to improvement in the operating efficiency, a reduction in the operating costs and an increase in the property value.

The certification of existing buildings begins with a comprehensive stocktaking and analysis of the building performance at that time. Aspects such as energy consumption, water consumption, waste management and indoor air quality are evaluated. Based on this data, we develop customised action plans to fulfil the necessary certification criteria.



TAXONOMY CONFORMITY IN NEW BUILDING PROJECTS AND STRUCTURAL RESTORATIONS

As a group of companies, we have set ourselves the objective of aligning our new building projects and structural restorations with the environmental goals of the EU taxonomy, as well as to the primary goals that result from the constantly changing legal requirements, the relevant interests of society as well as the climate policies. In order to present our sustainability efforts towards third parties in a transparent manner, we strive for a corresponding certification or verification for every project.

We use the ESG verification for taxonomy of the DGNB to verify the conformity with the environmental goals of the EU taxonomy for 'Climate protection', 'Climate change adaptation' and 'Transition to a circular economy' as well as the relevant DNSH criteria and minimum requirements. This verification includes an independent check and confirmation by an accredited organisation.



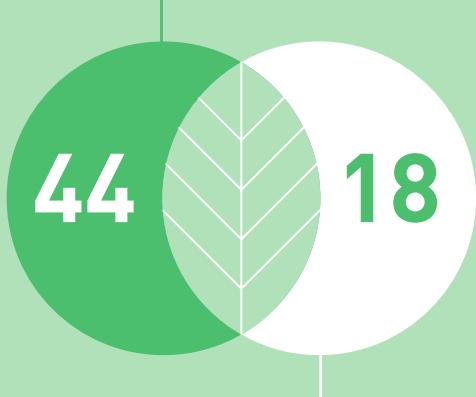
Verdict

It is particularly important for us to actively contribute to the national climate goals and to meet the long-term growing demand for taxonomy-conforming properties on the part of the investors. The consistent implementation of sustainability certificates for our new building projects, verification of the certification options for our portfolio properties as well as the effort to build in conformity with taxonomy emphasise our commitment to a sustainable portfolio property development and management. By adhering to internationally approved standards, we ensure that our properties meet the highest requirements of sustainability.

OVERVIEW OF SUSTAINABILITY CERTIFICATES



Number of available certifications
in the total portfolio



Number of planned or under-
verification certifications for the total
portfolio and new building projects

LEED New buildings

15

9

LEED in Use

1

0

DGNB/ÖGNI New
buildings

6

1

DGNB/ÖGNI Portfolio

1

1

BREEAM Portfolio

1

0

Wired Score

16

4

WELL

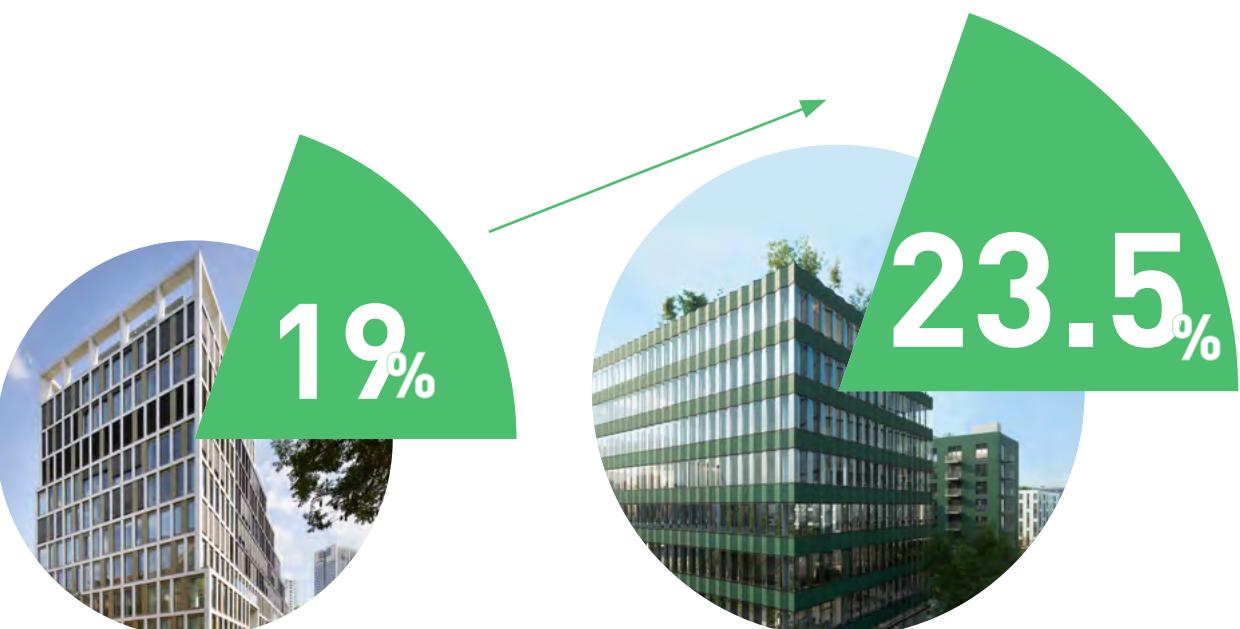
3

3

Smartscore

1

0



Share of properties in the total portfolio
with at least one certificate

Share of total portfolio and new building projects
with at least one certificate or one certificate in
planning



EU-Taxonomie-konform
verifiziert durch DGNB

Flagship project:

Loft Haus in I/D Cologne receives taxonomy verification!

The Loft Haus, part of the I/D Cologne (Cologne-Mülheim) district development, has successfully passed the 'ESG-Verification for EU taxonomy' of the DGNB, and thereby fulfils all requirements of the EU taxonomy in addition to the already received DGNB Gold Certification.

We are proud to have fulfilled the strict criteria of EU taxonomy in addition to our own sustainability requirements with the project.

As a joint venture of Art-Invest Real Estate and the OSMAB, the 5,800 m² building complex was completed in the year 2023. Notable companies such as Renault Deutschland AG, 'The Chocolate on the Pillow Group' and FLS GmbH are among the renters of office spaces. Moreover, Renault present their latest car models in the showroom on the ground floor.

In addition to the neighbouring Moxy-Hotel and Güterhaus, the Loft Haus is a creation of the renowned architecture firm caspar.architects from Cologne. An ensemble of latticed windows, dark clinker and metal panels on the façade give the building its lofty and

eponymous character. The huge roof terraces on the 5th and 6th floors provide a communicative meeting point and offer space for work or a lunch break in the open. Another highlight is the modern front yard that, like a living room in the outdoor area, is decorated with canopies of oversized living room lamps and a carpet made of mosaic tiles.

With the motto Work.Live.Connect, the building fulfils all comfort requirements of modern working in addition to sustainability aspects. Users thus have their own bicycle room and a shower and dressing room inside the building at their disposal, as well as a range of service offerings.

As a sign of popularity and success, the property was already sold to a German Family Office in 2023.

Biodiversity

Cities and metropolitan areas are often sites of intensive construction activity and concentration, which leads to considerable damage to the natural living spaces.

The conservation and promotion of the biodiversity in urban areas therefore has critical significance in order to maintain the ecological balance. Diverse green spaces, rooftop gardens and façade greening not only contribute to the beautification of the cityscapes, but also offer important habitats for animals and plants.



INTEGRATION OF GREEN SPACES IN NEW BUILDING PROJECTS

When it comes to the planning of our new building projects, we attach great value to the creation of green spaces. These serve as recreational areas for the residents and also promote biological diversity at the same time. We design green façades, roof greening and green courtyards, which not only have an aesthetic function, but also offer living spaces for various animal species. With the selection of native plant species, we support the local flora and create food sources and shelter for insects, birds and small mammals.

Another significant advantage of this greening is the reduction of the Urban Heat Island Effect, which often occurs in urban areas. The so-called heat-island effect leads to higher temperatures in cities as compared to rural areas, as concrete and asphalt absorb and store the heat. We can tone down this phenomenon by integrating green spaces. Plants and landscaped areas work as natural air conditioning units by evaporating water and giving shade, which contributes to the cooling of the environment and lowers the urban temperatures.

SPECIES CONSERVATION MEASURES

In the planning phase of our building projects itself, we carry out environmental impact assessments in order to evaluate the effects on local animal and plant species and to develop corresponding protective measures. Here, we work closely with specialist planners to ensure that our construction projects are consistent with the goals of species protection.

Verdict

The integration of biodiversity and species protection measures in our new construction projects is an expression of our comprehensive understanding of sustainability. At Art-Invest Real Estate we promote the creation of urban living spaces, which meet the needs of people as well as the requirements of nature.



Flagship project: Wolkenbügel Dusseldorf

Urban areas have a characteristic climate with polluted air and up to 10°C higher temperatures in comparison with rural environments. This phenomenon is called Urban Heat Island Effect. The ability of plants to produce oxygen, to reduce temperatures and to purify the air is, in particular, desperately necessary in such places. The greening of unused façades and roofs of buildings is a convincing solution for the well-being of all living things.

An outstanding example of the implementation of building greening is the Wolkenbügel property in Dusseldorf Medienhafen. Surrounded by asphalt, glass and concrete, a wide variety of

plants now stretch across the roof and façade. The building exudes vibrancy and presents all the aforementioned advantages. Through a simple transformation of the available areas, a maximum added value is created for people, animals, flora and the entire environment. This kind of space utilisation not only offers ecological and aesthetic advantages, but also a variety of other added values:



BENEFITS FOR THE ENVIRONMENT AND THE GENERAL PUBLIC:

- Better quality of life through more green areas in the urban space
- Increase in the feel-good factor
- Improvement in the microclimate
- Increase in the humidity, leading to air cooling through cooling by evaporation
- Reduction in urban heat island effect
- Dust filtration and binding
- Balance in the loss of green spaces
- Expansion in the habitat for flora and fauna
- Contribution to preservation of biodiversity

BENEFITS FOR OWNERS AND RESIDENTS:

- Protection of the building cover from weather conditions like rain, hail, wind erosion, UV-rays, etc.
- Reduction in temperature amplitudes (daily heating/nightly cooling) and their peaks
- Extension in the life of the building cover
- Winter and summer heat protection – Reduction in heating and air conditioning costs
- Sound insulation
- Shade
- Appreciation of the building
- Protection from vandalism (graffiti)



18,9%

Average share of the greened surfaces of properties as compared to the overall plot in the total portfolio and in the new building project



3.3 Business operation

As part of our sustainability strategy, we actively commit ourselves to the reduction of emissions at the level of business operation. In our efforts we rely, among other things, on the efficient use of resources as well as the targeted reduction of our fleet CO₂ emissions.

We additionally promote alternative working models for the reduction of our ecological footprint, especially by supporting flexible forms of work, which minimise the necessity of business trips. We strive for continuous improvement through targeted measures and regular review of our processes. The active involvement of our employees plays a crucial role here. We work together purposefully towards the achievement of our goals to establish a sustainable and responsible business operation.



Sustainability mission and goals



Within the scope of our commitment towards the reduction of emissions, we strive to fulfil the requirements of SDG13 'Measures for Climate Protection' in accordance with the Paris Agreement. Since last year we operate with greenhouse gas neutrality through compensation measures, and continuously work towards further reducing our emissions. For this we analyse our emission sources to identify reduction potentials. On the basis of the results for the years 2023 and 2024, we will set clear objectives and strive to become greenhouse gas neutral by 2045 in accordance with Germany's climate targets.

Despite our ambitious efforts, a certain residual amount of emissions will continue to exist. To compensate these, we will invest in certified climate protection projects even in future. These investments take place under the condition that they make a contribution to sustainable development as defined by the SDGs.

Through our commitment to the reduction of emissions and the backing of sustainable projects, we actively contribute to the achievement of national climate goals and strengthen our position as a responsible company.

Use of our own locations

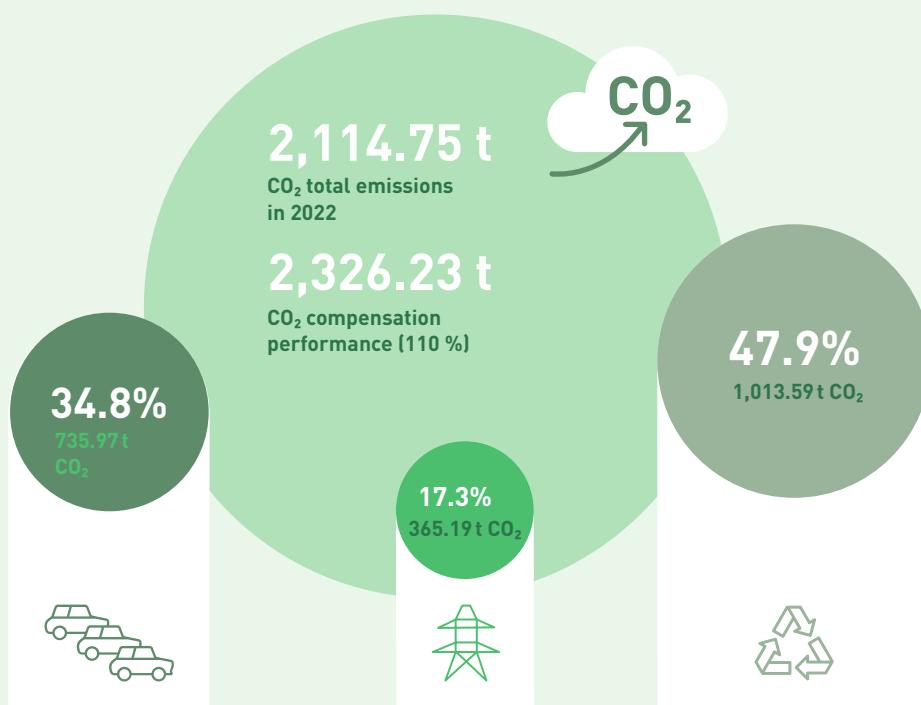
DETERMINATION OF THE ECOLOGICAL FOOTPRINT

The calculation of the ecological footprint of all branches, including AIREF, AIREM, AIRE PM as well as AIREM Austria and AIREM UK, forms the basis of our performance measurement. Emissions from the areas of electricity, heat, company vehicles and business travel are recorded systematically. The calculation of our ecological footprint serves in the determination of reduction goals and allows us a precise analysis of the formation and distribution of CO₂ emissions within our company processes. Through detailed calculation we can check whether our reduction goals can be achieved, measure

their progress and identify additional measures to further reduce emissions.

Our CO₂ emissions are calculated on the basis of consumption data and specific emission factors. We use primary data wherever possible, and draw on secondary data from recognised sources in case the primary data is not available. The emission factors used come from scientifically recognised databanks, such as ecoinvent and DEFRA, in order to ensure the accuracy and reliability of our calculations.

OUR CO₂ FOOTPRINT IN 2022:



SCOPE 1

Direct emissions that result from activities and processes, such as emissions from company plants or fleets

SCOPE 2

Indirect emissions that result from energy imports from external sources, e.g., electricity and district heating

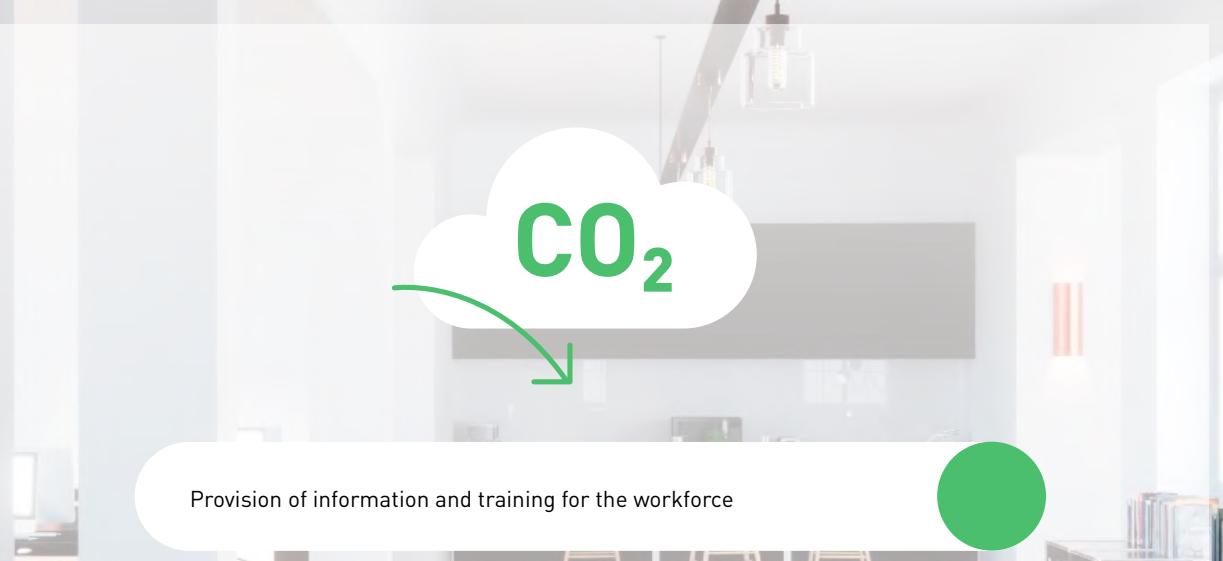
SCOPE 3

Emissions that result from upstream and downstream activities that are not under direct company control, such as the travel of an employee or the disposal of a product



This year, we were again able to compensate our residual emissions by investing in two climate protection projects. However, we are aware that mere compensation of emissions without concrete reduction measures and objectives cannot guarantee long-term sustainability. Therefore, we consider mere compensation a temporary solution until we have created a reliable database for the identification of saving potential.

Measures for the reduction of emissions:



CO₂

Provision of information and training for the workforce

Minimisation of resource waste in everyday office life

Efficient management and use of vehicle fleet

Use of energy-efficient devices and lighting systems

Use of digital tools for monitoring, analysis and optimisation of environmental performance and emission data



Climate protection projects

As a company we actively commit to a sustainable future by collaborating with our partner 'ClimatePartner' in financing climate protection projects. These projects combine the support of international climate protection measures with the promotion of nature protection initiatives in Germany.

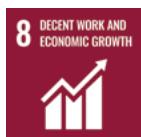
Our approach involves the financing of a certified climate protection project, combined with additional investments in nature protection. For every tonne of CO₂ saved through our participation in an international

climate protection project, a funding amount flows into a regional nature protection project.

We are currently promoting a joint project that combines a certified climate protection project in India with nature conservation measures in Germany. With this combination we make a contribution to the global CO₂ reduction and to the protection of biodiversity locally.

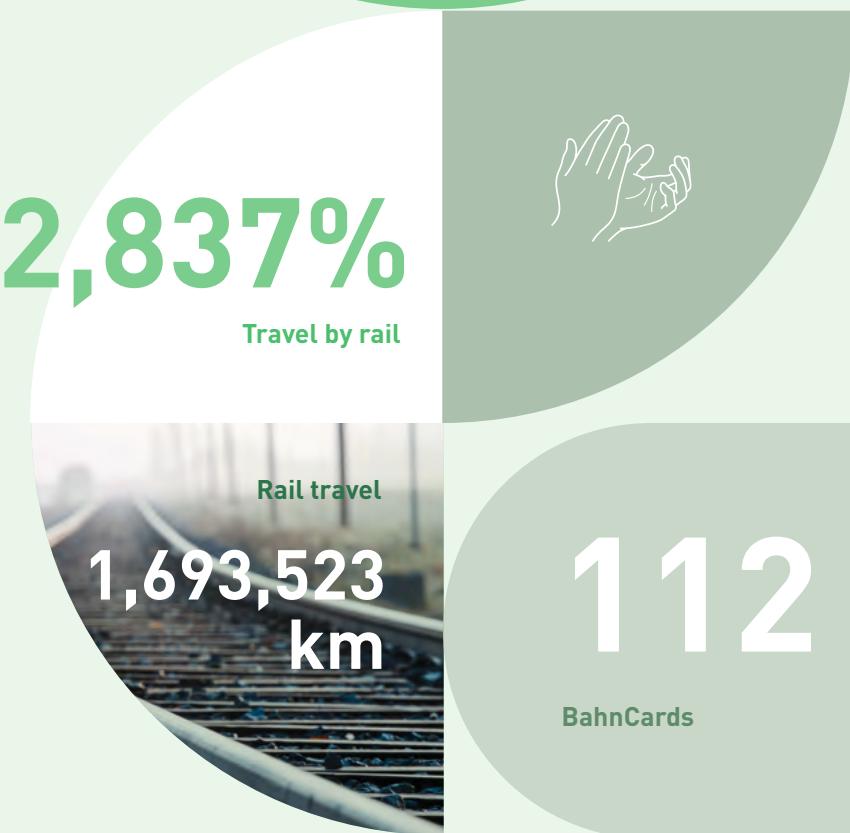
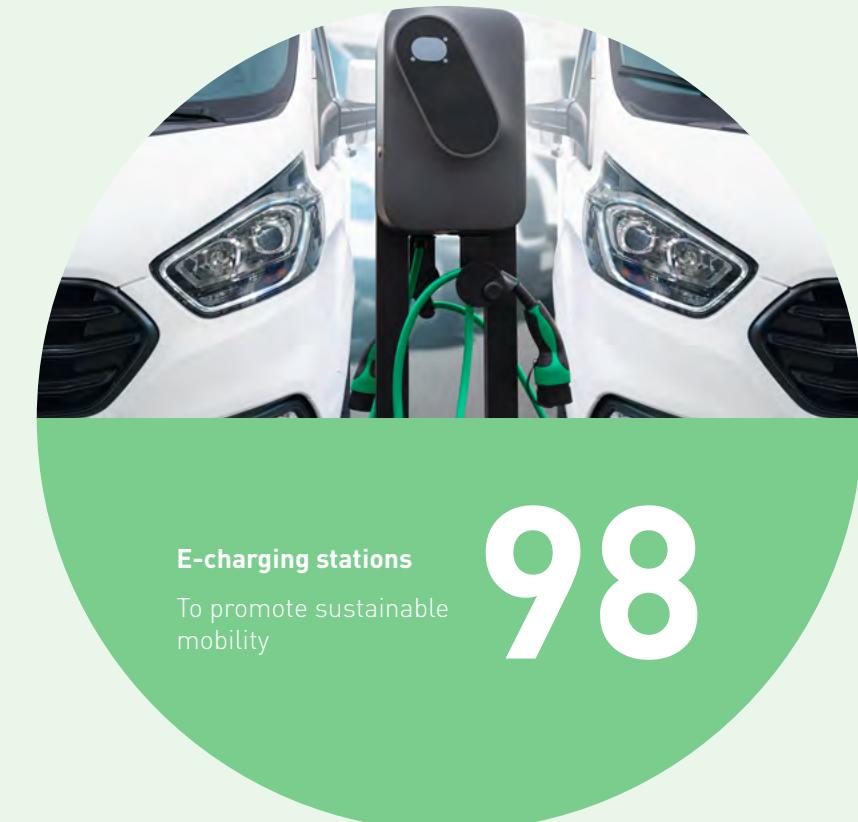


In India we are enabling microentrepreneurs access to solar lamps and water filters through microloans and creating supply chains in remote regions. These new technologies not only help people economically, as the solar lamps help shop owners extend their business hours, but also contribute to a better quality of life by providing them with clean drinking water.



At the same time we are investing in a nature conservation project in Mecklenburg-Vorpommern, which concentrates on the preservation and rewetting of moors. Moors are significant carbon sinks and offer valuable habitats for engendered animal and plant species. They also function as an important water reservoir, provide protection from soil erosion and flooding, and contribute to improvement in the ground water quality.





Mobility, fleet and business trips

Within the scope of our sustainability strategy, we place special focus on the reduction of emissions resulting from our mobility, fleet and business trips. These areas represent significant sources for greenhouse gas emissions and offer considerable potential for improvements and innovation at the same time.

MOBILITY MANAGEMENT

Our aim is to considerably reduce the ecological footprint of our employees during their work, as well as on their way to work. We actively promote the use of public transport by providing job tickets and make pool cars available in every branch. Additionally, the introduction of flexible working models like home office also contribute to reducing the shuttle traffic and, thereby, reducing the associated emissions.

An efficient travel and fleet management specifically allows us to promote sustainable transportation, and to optimise the number as well as the necessity of business trips. By using modern technologies, we can record the exact data on monitoring and analysis of travel activities and derive strategic measures for the reduction of emissions.



FLEET

Our fleet contains a variety of vehicles that are used for business purposes as well as private company cars. To reduce the associated emissions, we have implemented several measures including the promotion of car pooling as well as a step-by-step changeover to electro and hybrid vehicles.



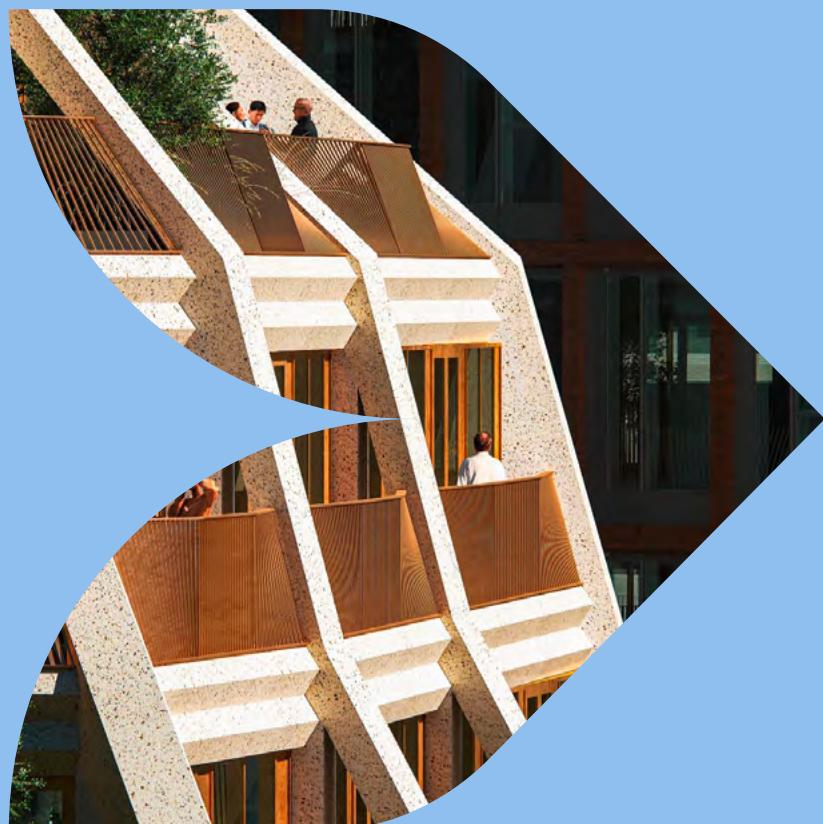
BUSINESS TRIPS

We prefer environment-friendly means of transport such as trains to air travel, and have adapted our travel policy to promote sustainable mobility and, at the same time, reduce the number and duration of business trips. Our employees are required to minimise domestic flights, and in case of journeys of more than 400 kilometres, to abstain from the use of private vehicles. To support this we offer special business BahnCards, such as the business KlimaBahnCard 25 and the BahnCard 50/100, to increase the desirability of train travel. Taxi rides should only be used when public means of transport are not available. These measures are part of our strategy to reduce the ecological footprint.





SOCIAL



03



We enjoy working together and
maintain an intimate environment.





4.1 Introduction

As Art-Invest Real Estate, we believe that our employees are our most valuable resources. Their continuous development, their well-being and their diversity form the basis of our corporate culture and are decisive for our success.

As a responsible employer, we promote individual responsibility and team loyalty so as to create an inspiring working environment, which supports individual and personal development. Learning opportunities and specific development measures play a key role here. We maintain respectful interactions, and are tolerant and

open-minded towards everybody. For us, diversity and equality of opportunities are not only a moral obligation but are key to innovation and competitiveness in these challenging times. In this section, we offer you an insight into our efforts to actively promote our projects and to further develop our strategies.

4.2 Sustainability mission and goals

Our obligation to social sustainability is based on the goals for sustainable development.

The focus is particularly on SDG3 'Health and Well-being', SDG4 'High-quality Education', SDG5 'Gender Equality', SDG8 'Humane Work and Economic Growth' and SDG10 'Fewer Inequalities'. These goals form the foundation of our efforts to make a significant contribution to tackling social challenges. In our sustainability report, we comprehensively document the challenges we have overcome as well as our continuous efforts taken towards improvement, and measurable, positive social influence. Our guiding principle as a responsible and respectful employer is deeply anchored in our actions. It is the people who always take the centre stage.

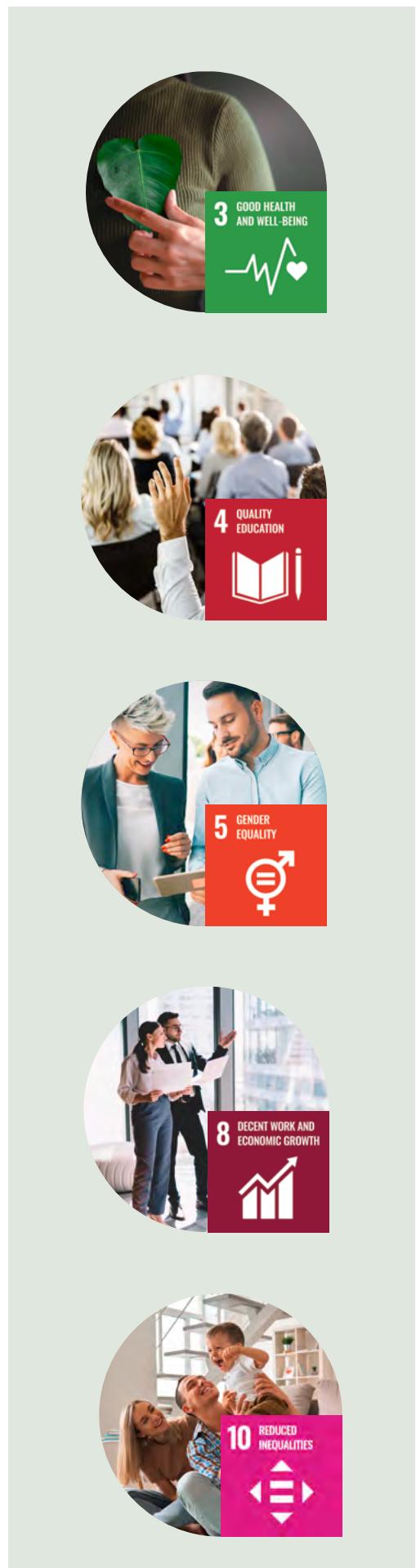
Our concrete goals include:

PROMOTION OF PROFESSIONAL TRAINING AND CAREER DEVELOPMENT MEASURES

- First-time collection of training hours per employee
- Needs-based offer of training customised to Art-Invest Real Estate

STRENGTHENING DIVERSITY AND INCLUSION WITHIN THE COMPANY THROUGH TARGETED MEASURES AND PROGRAMMES

- Development of an implementation concept of the DEI Policy
- Retention of the current level of age structure
- Retention of the current level between women and men below the management at the non-management level





Introduction



Governance



Environment



Social

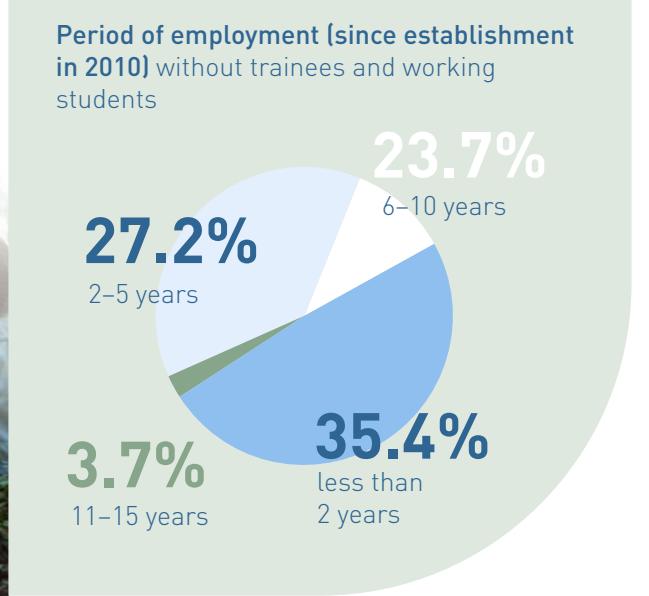
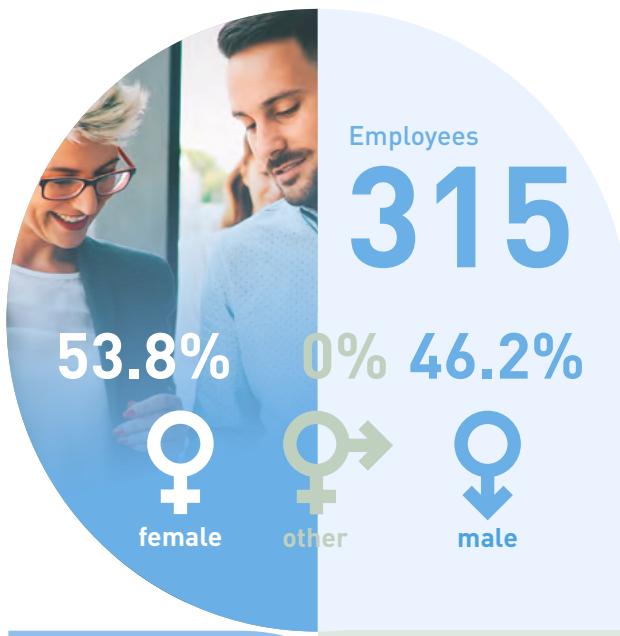


About this report

4.3 Our workforce

– the Art-Invest Real Estate culture





Data as on 31.12.2023, detailed key figures as per business areas in annex



We also focus on values that are not measurable in numbers

A personal and benevolent togetherness forms the foundation of the corporate structure and our daily actions. 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 our primary focus. Fairness plays an important role in our culture, because of which we always strive for a solution that is best for everyone involved.

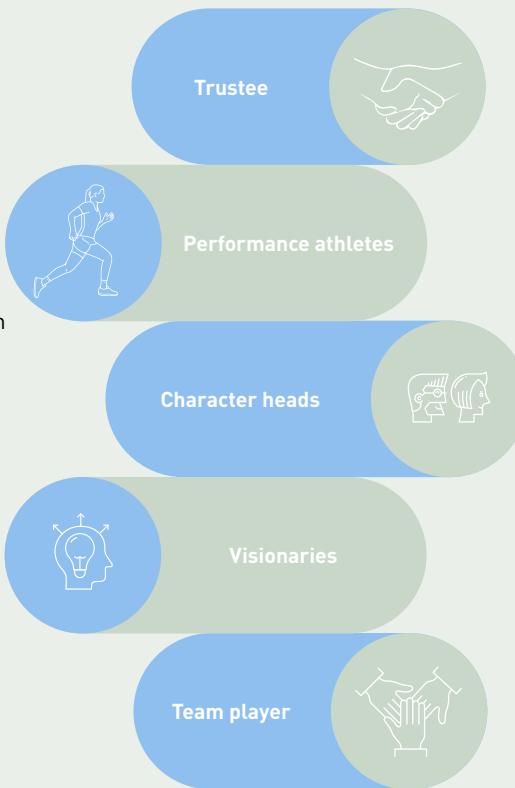


OUR DNA VALUE

Our DNA reflects in the principles that are represented daily by our managing directors and employees. The diversity of the individual strengths of our employees allows us to mutually support ourselves optimally and to grow together.

Performance athletes

Healthy 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.



Visionaries

Innovation and creativity are our driving forces. We develop visionary solutions with foresight and create sustainable added value for our business. In doing so, we constantly develop our visions and ourselves further.

Trustees

Our work is based on the trust of our stakeholders. We act with honesty and integrity to do justice to this trust.

Character heads

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.

Team players

We are a team. A strong sense of unity characterises our actions. We communicate openly, communicate respectfully and always treat each other as equals!

Attractive employer

We discussed with Nadja Seyppel-Winter, Head of Human Resources at AIREF, and Kim-Lara Pranke, Human Resources Manager at AIREM, how Art-Invest Real Estate achieve a positive effect on the workplace culture and the sustainability goals of the company through various strategies for employee orientation.



Nadja Seyppel-Winter, Head of Human Resources, Art-Invest Real Estate Funds

According to you, what makes Art-Invest Real Estate an attractive employer?

An appreciative manner of working together forms the foundation of our Art-Invest Real Estate culture. The fostering of our special AIRE team spirit is important to all of us. Moreover, we offer our colleagues an attractive place for work. In addition to easily accessible and attractive locations, the workplaces are modern and ergonomically equipped. The lovingly designed common areas simplify and improve daily working life. We take the ideas and suggestions from our employees seriously, and implement them to jointly create a pleasant feel-good atmosphere.

On what parameters do Art-Invest Real Estate measure being an attractive employer?

We have developed a survey concept specially tailored to our employees, which helps make the satisfaction of our employees measurable. In addition, we carry out brief surveys on current topics, if required, to be able to place the finger on the right spot. Regular feedback discussions between employees and executives highlight the cooperation and joint working culture, as a result of which we can continuously make improvements.

How is the recruiting and onboarding process at Art-Invest Real Estate structured?

Our recruiting process is designed to win the best talent and allow them a smooth entry. Job interviews with us are lively, personal conversations to get to know one another, and are not conducted 'strictly' according to specifications. 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. Our onboarding process begins about four weeks before the commencement of work and ends with a successful probation period. During this period, we provide for a comprehensive training that ranges from setting up the workplace to getting to know all departments to regular discussions with the executives. Our goal is to integrate new employees for the long

75%

Participation ratio in the employee survey at AIRE



72.5%

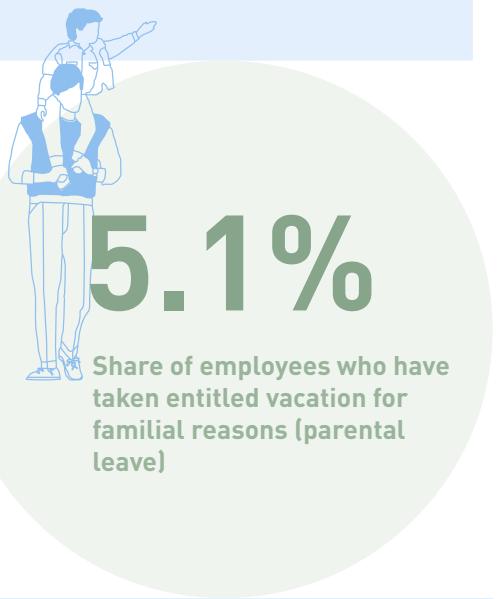
of employees expressed a particularly large interest in more intense exchange with colleagues

100%

of employees have participated in regular performance and career development discussions



Aside from working together, we also like to have fun together!



term and to promote our strong team spirit. We attach great value to well-being and a quick integration into the team so as to maintain our low staff turnover.

How can the employees help shape the workplace culture in your company?

Within the scope of our survey concept, we have a follow-up process, in which all employees can participate. That's how we develop our workplace culture together. Processes and changes can be implemented easier and exist when one is actively involved in them. This strengthens the involvement and identification with our company.



Kim-Lara Pranke,
Manager Human Resources, AIREM

You emphasise the special Art-Invest Real Estate team spirit. What makes the team spirit so special?

Our sense of unity! We enjoy working together and maintain an intimate environment. For us, communication is important. We don't just have a dialogue and discussions with one another in our work routine. Aside from working together, we also like to have fun together! For instance, we have:

- Regular townhalls with ensuing get-togethers
- Department jour-fixes in presence
- Regular lunches
- Common AIRE Social Days
- Team events
- Joint colleague-initiated activities funded by the employer (e.g. laser tag, visit to the Rhine-Energy stadium in Cologne)
- Annual kick-off event and summer party, for which all locations come together

We recognise every employee working with us as an individual with different life circumstances. That is why we offer flexible work models that allow an optimum work-life balance. We are aware that every employee can give their best when the work conditions are in harmony with their personal needs. And that is precisely why we are so successful!



We invest in our future

FURTHER TRAINING OPPORTUNITIES

We prioritise the personal and professional training and development of our staff and, therefore, have offered an extensive catalogue of training courses that are continuously reviewed and adjusted. In addition to numerous open, external courses, we also offer regular internal training courses and workshops that promote a wide range of competencies:



Social competence:
Development of interpersonal capabilities and team dynamics



Language competence:
Improvement in the linguistic skills to promote work in other countries



Tool competence:
Training in dealing with special work tools and new software



Professional skills:
Specialisation of the expertise and technical skills



Many competencies are taught through our very own AIRE Training developed for Art-Invest Real Estate. These are accompanied by an external team 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.



Methodical competence:
Imparting modern methods and techniques for efficient problem solving

AIRE Academy

At the beginning of 2020, AIRE Academy was launched as the central and internal training programme of Art-Invest Real Estate. In 2023, it was called 'Welcome to the AIRE Academy' on 25 Fridays.

The location-wide format allows colleagues, independent of their field, to present exciting topics and share their knowledge. In addition to internal experts, we regularly invite external speakers, to bring new perspectives and expertise in the AIRE Academy.





DIVERSELY INTERESTED IN DIVERSITY

Our working environment is open and receptive, where respect and appreciation are values that are practised. Our corporate culture recognises diversity as a critical success factor. And we therefore welcome everybody irrespective of their age, gender, ethnic origin, physical impairments, sexual orientation or religious beliefs. We firmly believe that the respect and promotion of diversity of our employees as well as the assurance of equal opportunities for all are viral to create an innovative, productive and respectful work culture. Our goal is to align all our processes to this belief. This includes the recruiting process, the further development of our employees as well as the generation of career opportunities. We are implementing these topics specifically with our guideline for diversity, equal treatment and inclusion, developed this year. We are guided by the national and international standards on human rights, diversity and inclusion. Together with our code of conduct, we also obligate our employees to adhere to the established principles. Through these measures we ensure that our values are anchored in daily work practice, and our corporate culture is strengthened further.

DIVERSITY

Our focus is on attracting and retaining a diverse workforce that includes different genders, ethnic backgrounds, age groups, skills and sexual orientations.

EQUAL TREATMENT

We guarantee equal career opportunities for all employees, independent of individual characteristics. We assure equal opportunities by supporting the compatibility of family and profession.

INCLUSION

We sensitise and inform all employees about the significance of diversity, equality and inclusion. In addition, we actively support identifying and removing unintentional prejudices.

IMPLEMENTED MEASURES:

Conception of a **discrimination-free employment and recruiting process**

Supporting all employees with **equal training and education opportunities**

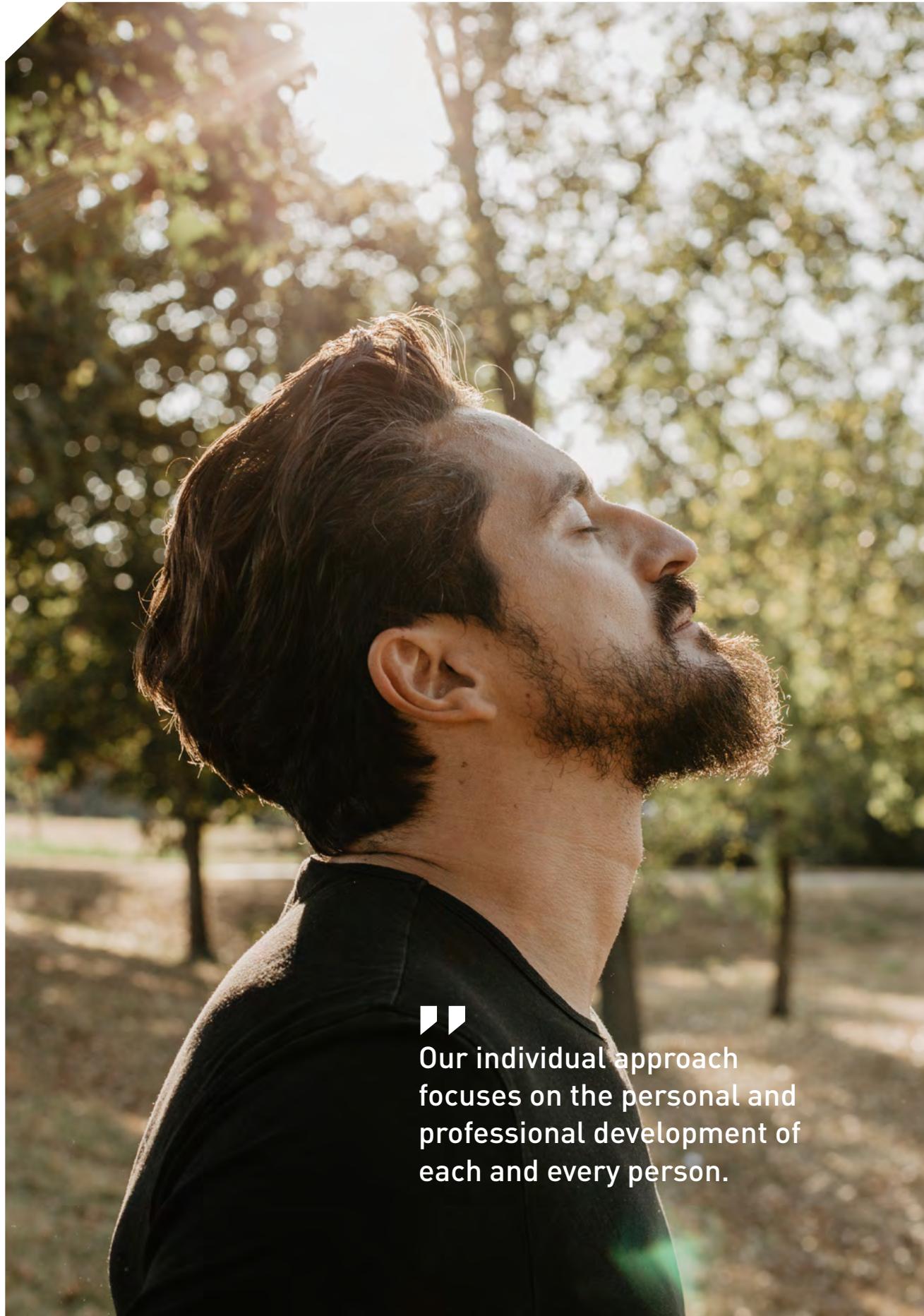
Implementation of gender-neutral language in **editorial contents** (e.g. on the intranet)

Setting up a **whistleblower system**

Development and introduction of a **guideline for diversity, equality and inclusion** (AIREF)



Data as on 31.12.2023, detailed key figures according to business areas in annex



**Our individual approach
focuses on the personal and
professional development of
each and every person.**

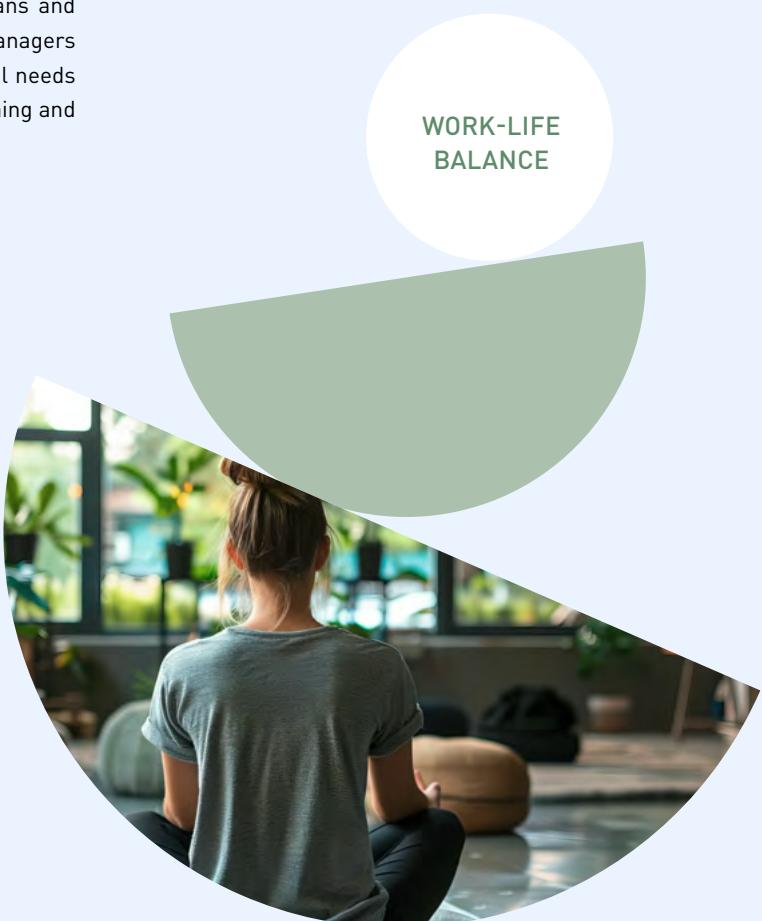
Work-life balance and health management

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. Employees can also take advantage of the G37 medical check-up in accordance with the German Social Accident Insurance (DGUV) regulations.

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. Each year we participate in the B2Run corporate run in Cologne, so that our employees can motivate each other. Moreover, our employees offer company sport groups to their colleagues at their own initiatives.

Boosting the mental health of all employees characterises 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. Childcare services are also offered during holiday periods or when kindergarten is closed.



WORK-LIFE
BALANCE



We want to be sustainably attractive for our teams and applicants

MANAGEMENT

- Promoting an inclusive management culture, including recognising and encouraging participative management
- Verifying alternative employment models like part time and tandem models for management functions
- Fostering a trustworthy communication culture
- Promoting career development opportunities
- Eight pillars of mobility: Jobticket, BahnCard, pool bikes, bike-sharing, e-bikes, car-sharing, pool cars, parking spaces (regional)

WORKPLACE

- Modern workplaces with opportunities for retreat and ergonomic standards
- Meal allowance as well as free healthy snacks, drinks (cold and warm), fresh fruit, water, nibbles
- Flexible trust-based working for individual work structure
- Option to work remotely based on requirement
- Regional entertainment opportunities like Flipper, Dart and Kicker
- Availability of shower and shoe-shine service at various locations



EVENTS

- Diverse corporate events like the annual Christmas event, sports events, Christmas parties, etc.
- Two annual new employee events
- Social Days, which are held differently in every location

FAMILY

- Flexible and family-compatible work hours, including the option to work remotely
- Support through external family service for employees and their dependants
- Internal initiative 'Working Parents' to support working parents in difficult stages of life



HEALTH PROMOTION

- Ergonomic and modern workplace equipment
- Healthy lighting at the workplace
- Various medical offers for health promotion and prevention such as flu vaccinations, health checks, G37 medical check-up and if required, cost coverage of screen glasses
- Healthy indoor climate owing to plants
- Health-promoting measures like massages
- Training offers like stress prevention, conflict management as well as time and self-management for improving physical health Audits for health security

OTHER BENEFITS

- Annual claim to 30 days of holiday
- Offer for company pension and for contributions to capital formation
- Subsidy for exercise programmes
- Corporate benefits through Zech-management: Discounts from well-known brands and providers of cars, travel, leisure and sport
- Financial support for Master's degree courses (individual)
- Annual further education and training opportunities for all employees (one training per year)
- Personal events such as birthdays, weddings, births, and anniversaries are also celebrated
- Personalised, handwritten Christmas card, Christmas gift
- Yearbook of Art-Invest Real Estate
- Small seasonal gifts for Easter, St. Nicholas Day, etc.

And much more...



4.4 Affected communities and end users

We believe that our responsibility goes beyond our business activities. We would like to improve the quality of life and make a positive contribution to the society through our diverse commitments.

At Art-Invest Real Estate, we not only look at properties as building structures but as central living spaces, where people spend a majority of their time. And that is why, it is particularly important for us to design sustainable and liveable districts that correspond to the needs of our end users. We cooperate very closely with residents, local authorities and other relevant players to ensure that our projects meet the requirements of the community and have positive effects in the long

term. Apart from our efforts in district management and project development, we are actively committed in social projects so as to achieve direct positive effects on the communities. Moreover, we promote education and science through close partnerships with universities and targeted sponsoring. You can find an overview of our engagement on the following pages.



We care: heART-INVEST

The social commitment of our employees is very important to us. We therefore actively support charitable causes through our Social Days, Sonderurlaub for social projects and various activities.

Social Days: Each of our branches had conducted a Social Day in 2023, which not only made an invaluable contribution to the society, but also brought our teams closer.



Our social engagement in Cologne stretched over two weeks, wherein our biggest branch supported the Diakonie Michaelshoven. The focus was laid on supporting the senior population and people suffering from dementia. Together with the care team we organised excursions, a musical afternoon with an appearance of our own choir, a creative afternoon and Oktoberfest. Our hotel team also additionally organised a stay in Maritim Hotel for the residents of the Clarenbachstift retirement home in Cologne.



Our branch in Dusseldorf worked closely with the initiative Herzwerk. A team of our employees accompanied 25 seniors to Adventsbasar in Südpark, while another team, together with actor Jenny Jürgens, organised a successful charity event for the 10-year anniversary of our Kö-Bogen property, the proceeds of which were donated to Herzwerk.



Our team in München organised a barbecue in the Horst-Salzmann-Zentrum senior and nursing home. Home-made food prepared by our colleagues and a festive atmosphere made the day unforgettable.

The team in Hamburg engaged in the design and maintenance of the garden area of the children's hospice Sternenbrücke, which gave the children and families a beautiful and well-kept place of retreat.



Our team in Frankfurt organised an excursion for children of the 'Arche' to Feldberg im Taunus, where the children could walk, climb, balance and play in the play area, which added to their fun and common experience in the nature. Our colleagues in Berlin helped in the conservation of the Wuhlheide forest area by removing the wild black cherry to protect the cinquefoil oak forest.



In addition to our annual Social Day, our branches provided their support throughout the entire year through regional initiatives, such as participation in the 'Kölle Putzmunter' rubbish collection drive on Earth Day.



SOLIDARITY SUPPORT

Within the scope of our social responsibility, we actively commit to humanitarian work. At Alten Wall 40 in Hamburg, in the former Hotel Sofitel, we set up temporary accommodation for Ukrainian families and made Hotel der Stadt Hamburg available to them for free. Our goal was to provide quick and non-bureaucratic support. Thanks to the dedicated service of all those involved, the project could be extended to the end of March 2023.



CHRISTMAS TREE OF WISHES

Around Christmas time, Art-Invest Real Estate works very closely with regional organisations within the scope of the 'Christmas tree of wishes' project.

Last year our Berlin branch worked together with the 'Schenk doch mal ein Lächeln e.V.' association, which allowed children, young people and young adults to express their heart's desires, which we fulfilled. A week before Christmas the gifts were wrapped with love and sent to the respective organisations, where they evoked radiant faces. In addition to this, the children created their own Christmas cards, which were hung in our offices on festively decorated Christmas trees.

Our headquarters in Cologne again worked with the 'CJG Haus St. Gereon' children's home in Bergheim. For the first time we also involved the 'Menschen für Tiere e.V.' animal welfare organisation and the Köln-Ostheim animal shelter in the project. These partnerships not only brought joy to children but also to our four-legged friends.



University support



Our close cooperation with renowned universities such as IREBS, EBS, RWTH, IU, HAWK and HfWU is extremely valuable for us in many ways. Within the scope of our partnerships we promote project work, support master theses and participate in guest lectures. Our objective is to share knowledge with the next generation and find innovative solutions together with the students.

This not only facilitates the link between theoretical knowledge and practical application, but also supports the training of future specialists and strengthens our position as an attractive employer in the real estate sector. An exciting project is being carried out in cooperation with students of Technischen Hochschule Köln in the field of architecture. We come together to develop strategies for the future development of the Maritim Hotel in Cologne and its surrounding areas. Our goal is to make the hotel more accessible to the public and to optimise its connection to Heumarkt and Rhein. We attach special

importance to the support of trainees and working students. We offer young talent the opportunity to collect valuable practical experience and to apply their theoretical knowledge in real projects through specific internship programmes and working student activities. Our trainees and working students are assimilated in various departments and encouraged through extensive support and regular feedback. This maximises their learning curve and simplifies their entry into the professional world, while simultaneously securing qualified young talent for the long term.



District management: For us, our focus lies on people

Within the scope of our social responsibility, the district management in the property development plays a central role. It promotes social integration, optimises use of resources and creates a liveable environment for residents as well as companies. With the integration of environmental aspects, social justice and economic vitality, it allows sustainable development and contributes to long-term value retention and attractiveness of the district by catering to the needs and desires of the local community and actively integrating them. In times of increasing urban challenges, a well-designed district management is decisive for boosting the quality of life and resilience in urban areas.



CANADA WATER DOCKSIDE, LONDON

Canada Water Dockside is a ground-breaking project for revitalising the historic Docklands in London. Sprawled on an area of 4.5 hectares in the city centre, it is developed as a green commercial campus and sets high standards when it comes to sustainability and well-being. Divided into two plots, the project includes three office buildings as well as retail establishments, cafés and restaurants. The project aims to have a harmonious combination of striking architecture and an accessible public space, which is designed in close cooperation with the local community.

 **19,260 m²**
Total area





Connection and community at the heart of Dockside Canada Water

We engaged in a conversation with Chris Schorah, Senior Development Manager at Art-Invest Real Estate Management UK. During the conversation, he revealed how crucial the involvement of the local community is for the success of large district developments.

What is the connection between the success of a district development project and the involvement of the local community?

The involvement of the local community is indeed crucial for the success of a district development project. It ensures that the requirements and desires of the residents are taken into account, which leads to higher acceptance and satisfaction. Their active participation results in a strong sense of community and greater identification with the residential area, which contributes to the stability and attractiveness in the long term. In addition, local communities bring in valuable knowledge and perspectives, which improve the quality of planning. Open communication and cooperation

foster transparency and trust, which simplifies and accelerates the entire planning and construction process.

How was the local community involved in the planning process during 2022/2023? Which specific initiatives were taken, to get in touch with them?

We took different measures to ensure that the local communities were heard. It included numerous open consultations, during which direct discussions were held and feedback was taken, as well as drop-in sessions and a public forum, which allowed personal participation. Additionally, we organised specific meetings with various interest groups so as to get a comprehensive understanding from them.

How was feedback collected from the community and integrated into the project planning?

The community's feedback was collected through various channels including feedback forms, online surveys, verbal feedbacks and special consultation events. This variety in the methods enabled a wide participation and promoted transparency in the planning process. We placed great value on the residents being able to express their thoughts, ideas and preferences, which were then actively integrated in the planning and development of the project. During the open consultation from 12 January to 27 January 2023, we received 25 feedbacks through feedback forms and online surveys. These direct



Our primary goal is that this new development in London is recognised as a vital centre of life by the community.

feedbacks are particularly valuable for us as they help us in precisely aligning our project plan, and in taking into account the local needs better.

How did the residents respond to the design of buildings A1, A2 and to the surrounding public space?

The residents accepted the design of buildings A1 and A2 as well as to the public space very positively.



Members of the AIRE UK team with representatives of local charities

They perceived both the buildings as creative alternatives to traditional office buildings and think that they blend well in the environment of Canada Water. Moreover, we also received a very positive response for the design elements and the public space on the eastern dock side. The people surveyed appreciate the additional greening and the open space, as it creates an inviting atmosphere and stimulate publicly accessible activities as well as increased pedestrian areas. We work closely with landscape architects to ensure that these elements are optimally tailored to the planned building and, at the same time, offer health and welfare advantages to the users.

The district is characterised by a prime location in the heart of London, the only challenge for which is parking spaces.

How did you tackle this situation?

In our planning, actively rely on facilitating the link to the local transport, including the access to the subway of the nearby Canada Water Station as well as the bus lines. Moreover, we also promote movement by bicycle and provide adequate bicycle stands. We plan to set up bicycle stands in the basement of buildings A1 and A2 as well as along the 'green routes' in the public areas.

How have publicly accessible activities and facilities been taken into consideration in the development? Are there also any offers for children?

When it comes to the planning of our new district, we attach great value to the needs of the residents. Restaurants, cafés and shops have therefore been provided on the ground level of the office buildings with the intention of creating a lively environment. In addition to the planned evening activities, we offer sports facilities like table tennis tables and spaces for yoga. A jogging track through the district, as well as playing areas for children complete the offer, to guarantee a comfortable environment.

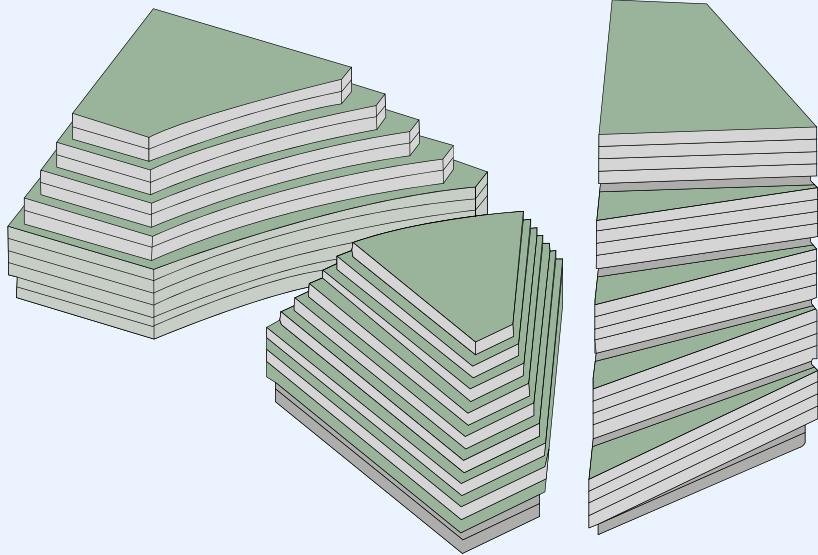
Are there any ongoing initiatives to uphold the involvement of the community?

Our primary goal is that this new development in London is recognised as a vital centre of life by the community. That's why we're in regular close contact with the residents and relevant



Chris Schorah,
Senior Development Manager,
Art-Invest Real Estate Management UK

stakeholders and continue our efforts to involve the community actively through regular consultations and stakeholder meetings. Their perspectives are crucial to make the district a lively place. We additionally strive for 'WELL Community Gold' certification to highlight our high standards and demonstrate our engagement publicly. We are looking forward to the next steps and continuous dialogue with the community!



BENEFITS



Community

- Jogging track around the site with start and finish points for 5- and 10-km runs
- Partnership with sports goods manufacturer 'Decathlon' to promote the community
- Support for a healthy lifestyle
- Sports areas for table tennis and yoga as well as playing areas
- Community and health centre
- Modern bicycle infrastructure with access to buildings and a bicycle café



Health and well-being

- Spacious views
- Private and community recreational areas
- Optimal access to sunlight and daylight
- Inclusive and barrier-free design
- Use of healthy construction materials
- Access to waterside promenade and to water
- High thermal comfort
- Dynamic and actively designed façades



Sustainable certifications

- 'BREEAM Outstanding' aspiration
- WELL Community Gold aspiration
- 'WELL Buildings Platinum' aspiration



Transport

- Promotion of electromobility
- Bicycle parking spaces and corresponding infrastructure
- Walkways and cycle paths
- Proximity to public transport



Land use and ecology

- Promotion of local ecology
- Green roofs and green terraces
- Use of native plant species



4.5 Workforce in the value-added chain

Art-Invest Real Estate places great value on strict adherence to high standards in the areas of human rights and working conditions.

Our efforts span the entire value-added chain and include the entire workforce, including service providers, suppliers and manufacturers. Within the scope of our area of influence, we undertake to create and maintain a fair, safe and respectful

working environment for all parties involved. These measures are an integral component of our comprehensive sustainability strategy and are clearly defined and communicated in a transparent manner in our corporate guidelines.

Adherence to standards

In accordance with our ethical principles, we guarantee to observe the human rights along our business activity and value-added chain. To this end, our partners are under obligation to adhere to the social standards according to our Code of Conduct for business partners.

We attach special importance to working together with sustainably certified partners and evaluate their performance on the basis of internationally recognised working and social standards of the International Labour Organisation (ILO). This refers to those partners that can prove their social performance and their responsible business operations.

We additionally identify and address potential human rights risks in our value-added chains, especially outside of the European Union or the United Kingdom.

We strive for a responsible corporate governance through these continuous efforts and, at the same time, strengthen our partnerships along the entire value-added chain.

Work standards

Social standards

Human rights

Sustainability





EVENTS FOR CONTRACTORS AND SUPPLIERS

We attach great value to the promotion of strong and long-term relations along our value-added chain. Construction projects often pose immense challenges and require perseverance from all parties involved. To appreciate their engagement and to strengthen our cooperation, we organise special events for contractors, suppliers and other partners. These events not only serve to recognise their efforts, but also offer a valuable platform to exchange knowledge and experiences.

An example here is the successful topping-out ceremony of our 'Eschborn Gate' project. The community project of Art-Invest Real Estate and OFB project development has achieved another milestone in the first construction phase of the project: The bare brickwork of the TOWER and THE HUB buildings is completed, and the interior construction has begun. The celebration took place in the presence of numerous guests and involved parties and acknowledged the engagement of all contributors.





ABOUT THIS REPORT



05



Create sustainable
solutions with data.





5.1 Introduction

This report offers you a comprehensive overview of our sustainability activities in the calendar year 2023. The report period is from 1 January to 31 December 2023.

In the year 2023, about five years after the introduction of the sustainability strategy of the Art-Invest Real Estate, we conducted a review of the focus topics relevant to us. In addition to this, we also carried out materiality analysis for the first time in order to ensure the quality and transparency of our report, and to make ourselves comparable in competition. This analysis

forms a solid basis for our reporting and helps us to prepare ourselves proactively for the upcoming demands of the CSRD. In the current sustainability report the significant topics, based on the results of our analysis, are described in a comprehensive manner. Moreover, we have summarised the most important key figures as on 31 December 2023.

5.2 Materiality analysis

Our materiality analysis took two central perspectives into account:

**Impact materiality
(inside-out perspective)**



**Financial materiality
(outside-in perspective)**

This perspective evaluates the effects of our company on the environment and society. It checks how our activities influence ecological and social aspects, including the environmental effects of our processes and our social responsibility. The objective is to identify relevant topics, in which our company has significant positive or negative effects.

This perspective considers potential risks and possibilities that environmental and social factors pose for our company's success. It analyses how external factors like regulatory changes, market developments and societal expectations can influence our financial performance.

In an internal workshop we identified the important sustainability topics, and divided these into three main areas as per the ESG-concept. The topics classified as important include **corporate policy, climate change, the company's own workforce** as well as **consumers and end users**. Therefore, the report at hand places special focus on these aspects. The attained knowledge is additionally decisive for the continuous adaptation of our sustainability strategy to meet present as well

as future regulatory challenges, and to fulfil the expectations of our stakeholders. We are aware that the existing materiality analysis does not yet adequately depict the perspective of the stakeholders. The next step would therefore be to update our materiality analysis and actively include the perspectives of our stakeholders. With this approach, we are confident that we can strengthen our sustainability strategy further and adapt to future challenges.

5.3 Non-financial key figures

GOVERNANCE KEY FIGURES

Number of reportable compliance incidents

Incidents in which our own employees were laid off due to corruption or bribery or were held liable to disciplinary action

	2023
Total	0
By company	
AIREM	0
AIREF	0
AIRE PM	0
AIREM Austria	0
AIREM UK	0

Number of condemnations owing to infringement of laws on combating corruption and bribery

	0
By company	
AIREM	0
AIREF	0
AIRE PM	0
AIREM Austria	0
AIREM UK	0

Number of complaints received via channels through which people from the company's internal workforce can express concerns

	0
By company	
AIREM	0
AIREF	0
AIRE PM	0
AIREM Austria	0
AIREM UK	0

Percentage of employees participating in training measures in the field of data protection and compliance

%	2023
Total	100%
By company	
AIREM	100%
AIREF	100%
AIRE PM	100%
AIREM Austria	100%
AIREM UK	100%

**Amount of financial penalties for infringement of laws on combating corruption and bribery**

€	2023
Total	0

By company

AIREM	0
AIREF	0
AIRE PM	0
AIREM Austria	0
AIREM UK	0

Number of reportable data protection incidents

	2023
Total	0

By company

AIREM	0
AIREF	0
AIRE PM	0
AIREM Austria	0
AIREM UK	0

ENVIRONMENT KEY FIGURES

Greenhouse gas emissions*

tCO ₂ e	2021	2022	Variation in %
Total	1,585.2	2,114.8	33.4
By scope			
Direct THG emissions from primary energy demand – Scope 1	479.5	736.0	53.5
Indirect THG emissions from purchased energy – Scope 2	506.2	365.2	-27.8
Other indirect THG emissions – Scope 3	599.5	1,013.6	69.1

Proportion of emissions in total emissions

%	2022	2023	Difference in %P
Total	100.0	100.0	0.0
By scope			
Direct THG emissions from primary energy demand – Scope 1	30.3	34.8	4.5
Indirect THG emissions from purchased energy – Scope 2	31.9	17.3	-14.6
Other indirect THG emissions – Scope 3	37.8	47.9	10.1

TRANSPORT AND TRAVEL

Number of business trips

	2022	2023	Variation in %
Total	2,636	3,977	50.9
By train			
	1,055	2,837	168.9
By company			
AIREM	628	2,171	245.7
AIREF	295	626	112.2
AIRE PM	34	17	-50.0
AIREM Austria	18	23	27.8
AIREM UK	80	0	-100.0
By plane			
	1,581	1,140	-27.9
By company			
AIREM	1,250	837	-33.0
AIREF	238	229	-3.8
AIRE PM	26	8	-69.2
AIREM Austria	50	49	-2.0
AIREM UK	17	17	0.0

* The data from 2021 was collected during the COVID-19 pandemic.

In the year 2022, the data was collected under normalised conditions, wherein the scope of collection was additionally extended.



Distance covered in business trips

km	2022	2023	Variation in %
Total	2,504,296	3,961,662	58.2
By train	459,645	1,693,523	268.4
By company			
AIREM	258,178	1,269,854	391.9
AIREF	185,485	407,836	119.9
AIRE PM	12,500	7,559	-39.5
AIREM Austria	3,082	8,274	168.5
AIREM UK	400	0	-100.0
By company car	2,044,651	2,268,139	10.9
By company			
AIREM	1,421,041	1,670,453	17.6
AIREF	589,525	527,809	-10.5
AIRE PM	5,172	4,418	-14.6
AIREM Austria	28,913	65,460	126.4
AIREM UK	0	0	0.0

Mobility in Art-Invest Real Estate

	2022	2023	Variation in %
Job tickets	157	182	15.9
By company			
AIREM	116	114	-1.7
AIREF	30	53	76.7
AIRE PM	6	11	83.3
AIREM Austria	5	4	-20.0
AIREM UK	0	0	0.0
BahnCards	97	112	15.5
By company			
AIREM	63	70	11.1
AIREF	34	41	20.6
AIRE PM	0	0	0.0
AIREM Austria	0	1	0.0
AIREM UK	0	0	0.0
Pool cars	0	6	—
By company			
AIREM	0	4	—
AIREF	0	1	—
AIRE PM	0	1	—
AIREM Austria	0	0	—
AIREM UK	0	0	—
Swap bikes/Job bicycles	0	20	—
By company			
AIREM	0	15	—
AIREF	0	1	—
AIRE PM	0	0	—
AIREM Austria	0	2	—
AIREM UK	0	2	—
E-charging stations	0	98	—
By company			
AIREM	0	26	—
AIREF	0	2	—
AIRE PM	0	20	—
AIREM Austria	0	50	—
AIREM UK	0	0	—
Bicycle parking spaces	0	269	—
By company			
AIREM	0	124	—
AIREF	0	15	—
AIRE PM	0	5	—
AIREM Austria	0	120	—
AIREM UK	0	5	—



PERSONNEL AND SOCIAL KEY FIGURES*

Total workforce

	2022	2023	Variation in %
Total	304	315	3.6

By company

AIREM	207	205	-1.0
AIREF	56	67	19.6
AIRE PM	20	21	5.0
AIREM Austria	9	8	-11.1
AIREM UK	12	14	16.7

Distribution of employees based on type of employment

%	2022	2023	Variation in %P
Full-time employees			
Total	81.25	81.23	-0.02

By company

AIREM	82.13	80.98	-1.15
AIREF	85.71	86.36	0.65
AIRE PM	50.0	52.38	2.38
AIREM Austria	77.78	87.50	9.72
AIREM UK	100.0	100.0	0.0

Part-time employees

Total	18.75	18.77	0.02
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By company

AIREM	17.87	19.02	1.15
AIREF	14.29	13.64	0.70
AIRE PM	50.0	47.62	-2.38
AIREM Austria	22.22	12.50	-9.72
AIREM UK	0.0	0.0	0.0

* The available figures are related to the reporting date 31.12.2023. The five companies have been considered individually in the itemised lists. For the overall evaluation equal weighting was given, whereby each company was counted in the calculation with a share of 1/5.

DIVERSITY AND EQUAL OPPORTUNITIES

Distribution of workforce based on gender*

%	2022	2023	Variation in %P
Female			
Total	53.0	53.8	0.9
By company			
AIREM	54.1	53.7	-0.4
AIREF	42.9	51.5	8.7
AIRE PM	75.0	76.2	1.2
AIREM Austria	55.6	50.0	-5.6
AIREM UK	41.7	35.7	-6.0
Male			
Total	47.0	46.2	-0.9
By company			
AIREM	45.9	46.3	0.4
AIREF	57.1	48.5	-8.7
AIRE PM	25.0	23.8	-1.2
AIREM Austria	44.4	50.0	5.6
AIREM UK	58.3	64.3	6.0
Other			
Total	0.0	0.0	0.0
By company			
AIREM	0.0	0.0	0.0
AIREF	0.0	0.0	0.0
AIRE PM	0.0	0.0	0.0
AIREM Austria	0.0	0.0	0.0
AIREM UK	0.0	0.0	0.0

* Because of the number 0, there is no detailed breakdown of the additional key figures after the description 'Other'.

**Gender distribution based on positions***

%	2022	2023	Variation in %P
Distribution of women employed at the top management level			
Total	0.3	0.6	0.3
By company			
AIREM	0.0	0.5	0.5
AIREF	0.0	0.0	0.0
AIRE PM	5.0	4.8	-0.2
AIREM Austria	0.0	0.0	0.0
AIREM UK	0.0	0.0	0.0
Distribution of men employed at the top management level			
Total	3.3	4.0	0.7
By company			
AIREM	2.9	3.6	0.7
AIREF	3.6	4.5	1.0
AIRE PM	0.0	0.0	0.0
AIREM Austria	11.1	12.5	1.4
AIREM UK	8.3	7.1	-1.2
Distribution of women employed at the management level (partner, 'head of', authorised signatories)			
Total	3.0	3.5	0.6
By company			
AIREM	1.9	2.9	1.0
AIREF	7.1	6.1	-1.1
AIRE PM	5.0	4.8	-0.2
AIREM Austria	0.0	0.0	0.0
AIREM UK	0.0	0.0	0.0
Distribution of men employed at the management level (partner, 'head of', authorised signatories)			
Total	9.2	10.2	1.0
By company			
AIREM	9.2	12.2	3.0
AIREF	16.1	10.6	-5.5
AIRE PM	0.0	0.0	0.0
AIREM Austria	0.0	0.0	0.0
AIREM UK	0.0	0.0	0.0
Distribution of women employed at the non-management level			
Total	49.7	49.6	-0.1
By company			
AIREM	52.2	50.2	-1.9
AIREF	35.7	43.9	8.2
AIRE PM	65.0	66.7	1.7
AIREM Austria	55.6	50.0	-5.6
AIREM UK	41.7	41.7	0.0

Distribution of men employed at the non-management level

	2022	2023	Variation in %P
Total	34.5	32.0	-2.5
By company			
AIREM	33.8	30.7	-3.1
AIREF	37.5	33.3	-4.2
AIRE PM	25.0	26.3	1.3
AIREM Austria	33.3	37.5	4.2
AIREM UK	50.0	50.0	0.0

Average age of all persons employed

	2022	2023	
Total	36.9	37.3	—

By company

AIREM	38.8	38.7	—
AIREF	36.4	37.6	—
AIRE PM	41.1	40.1	—
AIREM Austria	34.0	34.3	—
AIREM UK	34.1	35.8	—

Distribution of employees based on age

	2022	2023	Variation in %P
Below 30 years			
Total	27.6	26.1	-1.5

By company

AIREM	24.6	25.9	1.2
AIREF	42.9	30.3	-12.6
AIRE PM	15.0	19.0	4.0
AIREM Austria	22.2	25.0	2.8
AIREM UK	33.3	21.4	-11.9

30-50 years

	2022	2023	
Total	56.3	58.9	2.6

By company

AIREM	60.9	60.0	-0.9
AIREF	30.4	50.0	19.6
AIRE PM	70.0	61.9	-8.1
AIREM Austria	77.8	75.0	-2.8
AIREM UK	58.3	71.4	13.1

Above 50 years

	2022	2023	
Total	16.1	15.0	-1.1

By company

AIREM	14.5	14.1	-0.3
AIREF	26.8	19.7	-7.1
AIRE PM	15.0	19.0	4.0
AIREM Austria	0.0	0.0	0.0
AIREM UK	8.3	7.1	-1.2

**PERSONNEL MOVEMENT AND FLUCTUATION*****Number of newly recruited employees**

	2022	2023	
Total	67.0	40.0	-27
By company			
AIREM	47.0	15.0	-32
AIREF	8.0	17.0	9
AIRE PM	5.0	5.0	0
AIREM Austria	3.0	0.0	-3
AIREM UK	4.0	3.0	-1

Number of resigned employees

	2022	2023	
Total	34.0	29.0	-5
By company			
AIREM	25.0	14.0	-11
AIREF	8.0	9.0	1
AIRE PM	0.0	4.0	4
AIREM Austria	0.0	1.0	1
AIREM UK	1.0	1.0	0

Absolute fluctuation in employees

	2022	2023	Variation in %
Total	29	11	-18
By company			
AIREM	22	-2	-24
AIREF	3	11	8
AIRE PM	5	1	-4
AIREM Austria	3	-1	-4
AIREM UK	3	2	-1

Percentage fluctuation in employees

%	2022	2023	Variation in %P
Total	9.5	3.5	-6.0
By company			
AIREM	10.6	-1.0	-11.6
AIREF	5.4	16.4	11.1
AIRE PM	25.0	4.8	-20.2
AIREM Austria	33.3	-12.5	-45.8
AIREM UK	25.0	14.3	-10.7

Distribution of employees based on seniority

%	2022	2023	Variation in %P
Less than 2 years			
Total	34.4	35.4	—
By company			
AIREM	—	30.0	—
AIREF	—	42.2	—
AIRE PM	—	40.0	—
AIREM Austria	—	66.7	—
AIREM UK	—	66.7	—
2-5 years			
Total	42.9	37.2	—
By company			
AIREM	—	39.1	—
AIREF	—	23.4	—
AIRE PM	—	60.0	—
AIREM Austria	—	33.3	—
AIREM UK	—	33.3	—
6-10 years			
Total	21.4	23.7	—
By company			
AIREM	—	28.0	—
AIREF	—	25.0	—
AIRE PM	—	0.0	—
AIREM Austria	—	0.0	—
AIREM UK	—	0.0	—
11-15 years			
Total	1.3	3.7	—
By company			
AIREM	—	2.9	—
AIREF	—	9.4	—
AIRE PM	—	0.0	—
AIREM Austria	—	0.0	—
AIREM UK	—	0.0	—

**TRAINING AND FURTHER EDUCATION****Distribution of employees who have participated in training measures**

%	2022	2023	Variation in %P
Total	100.0	100.0	0.0

Female

Total	100.0	100.0	0.0
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By company

AIREM	100.0	100.0	0.0
AIREF	100.0	100.0	0.0
AIRE PM	100.0	100.0	0.0
AIREM Austria	100.0	100.0	0.0
AIREM UK	100.0	100.0	0.0

Male

Total	100.0	100.0	0.0
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By company

AIREM	100.0	100.0	0.0
AIREF	100.0	100.0	0.0
AIRE PM	100.0	100.0	0.0
AIREM Austria	100.0	100.0	0.0
AIREM UK	100.0	100.0	0.0

FAMILY FRIENDLINESS AT ART-INVEST REAL ESTATE**Distribution of claim of parental leave**

%	2022	2023	Variation in %P
Total	2.0	5.1	3.1

By company

AIREM	1.9	5.9	3.9
AIREF	0.0	3.0	3.0
AIRE PM	10.0	4.8	-5.2
AIREM Austria	0.0	12.5	12.5
AIREM UK	0.0	0.0	0.0

5.4 List of abbreviations

AIREM	Art-Invest Real Estate Management GmbH & Co. KG
AIREF	Art-Invest Real Estate Funds GmbH
AIRE PM	Art-Invest Real Estate Property Management GmbH
AuM	Assets under Management
BREEAM	Building Research Establishment Environmental Assessment Method
BVI	Bundesverband Investment und Asset Management e.V.
CoC	Code of Conduct
CRREM	Carbon Risk Real Estate Monitor
CSRD	Corporate Sustainability Reporting Directive
DEI	Diversity, Equity, and Inclusion
DENEFF	Deutsche Unternehmenseffizienz Energieeffizienz e.V.
DGNB	Deutsche Gesellschaft für Nachhaltiges Bauen e. V.
GDPR	General Data Protection Regulation
EBS	European Business School, Oestrich-Winkel
EET	European ESG Template
EnEV	Energy Saving Ordinance
EPBD	Energy Performance of Buildings Directive
ESG	Environmental, Social and Governance
ESMA	European Securities and Markets Authority
ESRS	European Sustainability Reporting Standards
F!F	Frauen !n Führung – Initiative der deutschen Immobilienwirtschaft für mehr Frauen in Führungspositionen e.V. (Initiative of German real estate industry for more women in management positions)
GRESB	Global Real Estate Sustainability Benchmark
GRI	Global Reporting Initiative
HAWK	Hochschule für angewandte Wissenschaft und Kunst, Hildesheim
HfWU	Hochschule für Wirtschaft und Umwelt Nürtingen-Geislingen, Nürtingen
ICG	Institute for Corporate Governance
IDS	Intrusion Detection Systems
ILO	International Labour Organisation
INREV	European Association for Investors in Non-Listed Real Estate Vehicles
IREBS	International Real Estate Business School, Regensburg
IU	International University of Applied Sciences, Bad Honnef
LEED	Leadership in Energy and Environmental Design
MTC	Manage to Core
MTS	Manage to Sustainability
NZEB	Nearly Zero Energy Building
PRI	Principles for Responsible Investment
RWTH	Rheinisch-Westfälische Technische Hochschule, Aachen
SDG	Sustainable Development Goals
SFDR	Sustainable Finance Disclosure Regulation
ULI	Urban Land Institute
ZIA	Zentraler Immobilien Ausschuss e.V. (Central real estate committee)



Introduction



Governance



Environment



Social



About this report

Imprint

Responsible for content and contact:

Art-Invest Real Estate Management GmbH & Co. KG
Art-Invest Real Estate Funds GmbH
Am Kabellager 11-13
51063 Cologne

T +49 221 270579-00
F +49 221 270579-01

info@art-invest.de
www.art-invest.de

Contact persons

Mirko Bäuerle
Head of Risk Management &
Team Lead ESG Regulatory & Reporting
T +49 221 58475969
MBaeuerle@art-invest.de

Melina Braxator
Sustainability Manager
P +49 221 845884-63
MBraxator@art-invest.de

Disclaimer

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Notes for readers

In our company we place great value on an inclusive and gender-fair language in order to address everyone. To improve readability, universal gendering is avoided in this publication. We have consciously decided to call natural persons in a gender-sensitive manner, whereas gendering is avoided in legal persons. Wherever the generic masculine is used, it is expressly applicable for all genders equally. This abbreviated linguistic form exclusively serves editorial purposes and does not represent any value in any manner.

