



ART INVEST
— REAL ESTATE —

Art-Invest Real Estate Funds GmbH
Responsible Investment Policy

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Version control

The Responsible Investment Policy is subject to approval by the management of Art-Invest Real Estate Funds GmbH, Cologne (hereinafter ‘Art-Invest Real Estate’). Any amendments or additions require the explicit written consent of the management.

The regular and ad hoc review and updating of the policy is the responsibility of the management and is carried out by the Sustainability Management and Risk Management teams at Art-Invest Real Estate. These reviews take place at least once a year in line with the sustainability strategy, in order to continuously adapt the policy to current developments and strategic objectives and to ensure its relevance and effectiveness.

Version	Date	Comments	Author
1.0	01/12/2023	Initial creation	Bäuerle, Braxator
1.1	01/12/2024	Update on the composition of the ESG Committee	Bäuerle, Braxator
1.2	01/12/2025	Review	Bäuerle, Braxator, Averdung
1.3	01/08/2026	Review	Bäuerle, Braxator, Averdung

The Responsible Investment Policy applies to all employees of Art-Invest Real Estate and is due to come into force on August 1, 2026. Approved by the entire management board.

Cologne, 01/08/2026

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A. Preliminary remark

The transition to a low-carbon economy and the ongoing development of regulatory and market-related frameworks may have an impact on the property sector. Against this backdrop, sustainability factors relating to environmental, social and governance (ESG) issues may influence, amongst other things, the valuation, risk profile and marketability of properties.

This policy sets out the principles according to which Art-Invest Real Estate incorporates environmental, social and governance (ESG) considerations into its business activities and into its investment and decision-making processes. ESG considerations are taken into account as part of the investment process in accordance with the principles set out in this policy, whilst taking into account the relevant investment strategy and applicable regulatory requirements.

As a member of the UN Global Compact, Art-Invest Real Estate is committed to the ten principles relating to human rights, labour standards, environmental protection and anti-corruption, and reports on their implementation. Furthermore, as part of its business activities, the company contributes to selected Sustainable Development Goals (SDGs) . As a signatory to the Principles for Responsible Investment (PRI), the company aims to take ESG criteria into account in the valuation, selection and management of property investments.

In addition to the applicable codes of conduct of the German Investment and Asset Management Association (BVI), which Art-Invest Real Estate implements, the Responsible Investment Policy applies in all areas where Art-Invest Real Estate bears responsibility for the entire value chain. When awarding mandates, efforts are also made to ensure that the principles of these guidelines are taken into account in management activities.

B. Art-Invest Real Estate's approach to sustainability

Art-Invest Real Estate has comprehensively further developed its sustainability strategy for 2025 and, at the same time, revised the underlying guidelines. In doing so, the company is responding to changing regulatory requirements as well as to its own commitment to systematically integrating ESG aspects into its business and investment processes.

Across the four areas of focus – value creation and governance, energy and the environment, people and community, and future viability and innovation – the guidelines define fundamental principles and serve as a framework for strategic and operational decisions. On this basis, they are intended to enable responsible corporate governance. The guidelines are set out as follows:

1. Value Creation and Governance

We ensure long-term economic success through the responsible management of capital and resources. Integrity, compliance and forward-looking risk management form the basis of our actions.

- **Long-term economic success and attractive return targets**
We focus on long-term, stable growth through the responsible management of capital and resources in the interests of our investors. Furthermore, we make targeted investments in forward-looking locations.
- **Compliance and fiduciary responsibility**
As trustees, we work to ensure that decisions are made in accordance with applicable laws, recognised compliance standards and the principles of responsible corporate governance.
- **Integrity and ethical business conduct**
Our corporate culture is based on binding guidelines on transparency, anti-corruption and responsible business practices.
- **Resilience and risk management**
We identify and manage the market risks associated with our business activities at an early stage and in a systematic manner. We regard crisis resilience and adaptability as key elements for stable corporate development.
- **ESG as a decision-making tool**
We integrate criteria relating to the environment, social issues and responsible corporate governance into our investment and management decisions, as well as into

our corporate strategy. Our ESG Committee strengthens strategic governance and drives implementation at C-level.

2. Energy and the Environment

When developing and operating properties, we take into account aspects of climate resilience, resource efficiency and energy efficiency wherever this is appropriate and economically viable. In doing so, we assess the use of suitable materials, renewable energy sources and technical solutions.

- **Carbon footprint**
We measure the carbon footprint at both company and project level. Building on this, we develop and implement project-specific decarbonisation strategies in line with national and EU-wide guidelines.
- **Climate resilience and urban ecosystems**
To enhance the resilience of buildings and sites, we systematically incorporate climate risk analyses and appropriate adaptation strategies. Depending on the location, green roofs and façades can help to improve the microclimate and enhance environmental quality.
- **Durability and resource efficiency**
We design, revitalise and construct properties whilst taking into account aspects such as durability, recyclability and the use of primary raw materials in the most resource-efficient manner possible, insofar as this is economically and technically feasible.
- **Circular economy**
As part of our project developments and regeneration works, we assess and take into account the reuse of existing materials wherever technically and economically viable. This enables us to reduce material consumption and waste generation on a project-by-project basis.
- **Renewable energy sources**
We develop building concepts in accordance with the principles of consistency, sufficiency and efficiency. In doing so, we assess the potential for using renewable energy on a project-by-project basis.

3. People and Community

We create a working environment that promotes health and foster diversity and equal opportunities within our company. Through vibrant neighbourhoods and open dialogue with our stakeholders, we promote community and partnerships.

- A healthy and motivating working environment
We create a working environment for our staff that supports both physical and mental health, thereby fostering satisfaction, commitment and long-term performance.
- An inclusive and appreciative corporate culture
We promote an open, diverse and inclusive working environment that nurtures individual potential and offers equal opportunities for development.
- Employee involvement
We establish an active feedback culture that involves employees and fosters their identification with the company's values.
- Social engagement
We support our employees' voluntary work to help shape our social responsibility.
- Vibrant districts and strong neighbourhoods
Through measures to enhance public spaces, we support positive urban development. In doing so, we create new experiences for our tenants and foster a sense of community.
- Stakeholder dialogue
In our projects, we encourage open dialogue with relevant stakeholders. In doing so, we aim to build trust, foster acceptance and secure long-term partnerships.

4. Sustainability and innovation

We invest in innovation, encourage the exchange of knowledge, continuously refine our processes and adapt flexibly to change. In this way, we aim to contribute to the development of forward-looking solutions and actively engage in industry-specific dialogue.

- Learning Organisation
We promote the development of skills, the active exchange of knowledge and interdisciplinary collaboration in order to remain adaptable and capable of learning.
- Using adaptability as a competitive advantage.
As a company, we systematically refine our processes so that we can respond flexibly to market changes and new requirements.
- Innovation management

New ideas and business models are identified and evaluated as part of structured processes and, where appropriate, efficiently integrated into existing business processes.

- Forward-looking investments and partnerships

We explore investments in new technologies, innovative start-ups and strategic collaborations in order to tap into potential new markets and to harness technical developments for our business operations.

- Commitment to industry standards

Through our involvement in associations, committees and advocacy groups, we aim to contribute to the further development of trends and standards at both local and national levels.

The sustainability guidelines have been communicated internally to staff and published on the website (www.art-invest.de).

C. Integrating ESG into the corporate organisation

Implementing the company-wide approach to sustainability is a shared objective at Art-Invest Real Estate, supported by all staff – from senior management to the operational teams – and put into practice across the relevant functions. Every single individual plays a vital role in our commitment to responsible investment. Consistent guidelines and binding commitments for all staff underline this commitment.

In this context, the **management team** plays a guiding role and leads by example. Its responsibilities include establishing, implementing and monitoring the sustainability strategy, integrating sustainability considerations into business practices, and fostering a culture of responsible conduct. In doing so, the management team maintains close dialogue with the Supervisory Board, the ESG Committee and the Sustainability Management team.

The **Supervisory Board** is responsible for monitoring the ESG components within the organisational structure. It reviews the information provided with regard to ESG-relevant aspects.

The **Sustainability Management team** acts as the primary internal point of contact for all other departments with regard to ESG issues. It coordinates the implementation of the organisation's sustainability objectives. The team is also responsible for analysing and assessing ESG aspects, specifically identifying opportunities for further development, and ensuring compliance with regulatory requirements in the area of sustainability at the level of the asset management company and the investment funds.

The **Risk Management team** works in close collaboration with the Sustainability Management team and examines potential ESG or regulatory risks that could affect the long-term financial performance of the investment funds managed by Art-Invest Real Estate. Through ongoing monitoring and reporting on ESG risks and performance indicators, it is thus possible to respond proactively to changes and to support and monitor compliance with applicable guidelines.

The **ESG Committee** was established as a governing body to provide overarching management and oversight of ESG issues of group-wide significance. The ESG Committee consists of a minimum of three and a maximum of six members. The committee comprises permanent members, including two managing directors from AIREF and AIREM, as well as senior managers and heads of the ESG and Sustainability Management departments at AIREF and AIREM. The ESG Committee may take decisions on ESG-related matters, provided these are not covered by another policy and/or do not have a group-wide impact. It reports to the

management of Art-Invest Real Estate and submits proposals for decisions regarding ESG issues of group-wide significance.

D. Integration of ESG factors into the investment process

Responsible investment is embedded in Art-Invest Real Estate's fiduciary duties and in its corporate responsibility towards stakeholders.

Art-Invest Real Estate recognises both the potential and the challenges of sustainable investment. The consideration of ESG criteria aims to identify risks at an early stage and support long-term value creation potential.

To implement the Responsible Investment Policy, Art-Invest Real Estate has established common minimum standards that span various business functions. These principles form the basis for a consistent approach to sustainability and responsibility at both corporate and product levels.

Corporate level

Minimum requirements

- Establishment of a governance framework under the leadership of the management board, including the formation of an ESG committee.
- Signing up to the PRI and committing to integrating its principles into corporate and investment processes.
- Promotion of a culture of diversity, equal treatment and inclusion amongst staff through responsible leadership.
- Commitment by all employees to adhere to the Zech Group's Code of Conduct and Compliance Manual, and thus to shared core values.
- Taking ESG requirements into account throughout the supply chain in accordance with the Procurement and Environmental Policy.
- Compliance with international and local labour laws and support for workers' rights.
- Support for the SDGs and alignment of business practices with selected goals, in particular SDG 3 (Good Health and Well-being), SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), SDG 11 (Sustainable cities and communities) and SDG 13 (Climate action).

- Implementation of a remuneration framework that takes sustainability-related criteria into account whilst ensuring that no incentives are created for unsustainable business practices.
- Conducting regular ESG training sessions for staff to promote awareness and understanding.

Additional initiatives

- Measuring the environmental impact (in particular emissions and energy consumption) of our own business operations.
- Drawing up a plan to reduce company-wide CO₂ emissions by 2045.
- Prioritising more environmentally friendly modes of transport in accordance with Art-Invest Real Estate's travel policy to reduce the environmental footprint.
- Involvement in charitable projects and encouraging staff to engage in social initiatives within local communities.

Product level

- I. **Product development** and strategies for incorporating **sustainability risks** into investment decision-making processes.

Minimum requirements

- Compliance with the regulations governing the new product process as set out in KAMaRisk, including all requirements necessary for the compliant launch of a product in accordance with the Sustainable Finance Disclosure Regulation (SFDR).
- Objective: to increasingly launch products with sustainability features in accordance with Article 8 and, where appropriate, Article 9 of the SFDR.
- Ensuring that sustainability risks (in particular physical environmental risks and transition risks) are appropriately taken into account in every product launched and that the strategy chosen by the company to address Principal Adverse Impact is applied.

- II. In the context of the **acquisition**, Art-Invest Real Estate has the following approaches at its disposal.

Minimum requirements

- Integration of ESG factors into the underwriting model and the business plan.
- Carrying out an ESG quick check on all investments according to defined criteria in order to identify potential 'red flags' at an early stage and avoid costs.
- Conducting a technical due diligence (including an environmental section: investigation of contaminated sites and pollutants, etc., and a building services section: assessment of the heating system, façade, insulation, etc.).
- Conducting legal due diligence (including a review of green lease clauses).
- Conducting ESG due diligence (unless there are compelling reasons not to, e.g. if investors in the investment fund explicitly request otherwise).

- Compliance with applicable regulatory minimum requirements for compliance and reporting.
- Preparation of a comprehensive purchase proposal detailing the quality of the building and its location, as well as the results of the aforementioned due diligence, thereby ensuring a high level of transparency in the purchase process (e.g. with regard to potential conflicts of interest or risks).
- Carrying out climate risk analyses as part of the acquisition process.

Additional initiatives

- Development of a decarbonisation pathway (e.g. using CRREM) with optimisation measures to create a property-specific business case.
- A commitment, in particular, to consider properties for acquisition that have, or can achieve, an appropriate level of green building certification or energy efficiency.
- Prioritising the use of actual performance data over estimates for well-founded materiality assessments, for example when evaluating energy consumption and climate-related risks.
- Application of a taxonomy compliance check to assess and classify the sustainability aspects of investments. Depending on investor preference, properties that do not comply with the taxonomy may be excluded.

III. Art-Invest Real Estate carries out **project developments and major refurbishments**, where possible and economically viable, in accordance with current technical and regulatory standards.

Minimum requirements

- Monitoring the consumption of resources such as heat, water and electricity, for example through the use of smart technologies (e.g. smart meters), and deriving property-specific reduction measures.
- Reduction of operational emissions at the property site.

- Assessment of the use of building materials with improved environmental and resource properties.
- Analysing the potential for utilising renewable energy sources to ensure a sustainable energy supply.
- Designing workspaces and building areas that holistically meet the current and foreseeable future requirements of users.
- Assessment of green building certifications such as Leadership in Energy and Environmental Design (LEED), the Building Research Establishment Environmental Assessment Methodology (BREEAM) or the German Sustainable Building Council (DGNB) Gold certification.

Additional objectives (new builds)

- Definition of whole-life-cycle targets for embodied carbon and analysis of greenhouse gas emissions across the entire life cycle. The long-term goal is to achieve low-carbon building operations by 2045.
- Alignment of the planning and construction process with the requirements of the EU Taxonomy, where applicable.
- Assessment of the implementation of digital solutions (including Category B building automation systems and the use of smart meters).
- Carrying out a climate risk and vulnerability assessment.
- Installation of water-saving fittings, provided this is agreed with the tenant.
- Digital documentation of building materials with a focus on resource-efficient construction.
- Taking environmental criteria into account when selecting a site and, where possible, avoiding environmentally sensitive areas (e.g. arable land with high soil fertility and habitats of endangered species).
- Development of a project-specific mobility concept.

- IV. As part of its **portfolio management**, Art-Invest Real Estate has the following measures at its disposal to reduce potentially negative impacts.

Minimum requirements

- Application of Art-Invest Real Estate's 'Manage-to-Sustainability' approach. In line with this, support for ongoing maintenance and repairs through active asset management, as well as appropriate consideration of this in the business plan.
- Identification of potential synergies and cost savings in consumption-based service charges.
- Planning and managing maintenance and repairs through active asset management and corresponding budget planning in the business plan.
- Portfolio management using the ESG and decarbonisation roadmaps drawn up by CRREM.
- Review and assessment of the implementation of a digital energy management system in accordance with ISO 50001, such as aedifion.
- Investigation of the application of sensor technology and solutions for smart buildings (smart building technologies) and, where implemented, systematic collection of consumption data.
- Implementation of measures to enhance the utility value of the properties and to support tenant satisfaction.
- Incorporation of green lease clauses in new lettings, where agreed with the tenants.
- Improving the collection and analysis of ESG data through data management systems in order to transparently present the portfolio's ESG performance.
- Continuous provision of transparency regarding ESG performance through measurement at portfolio and individual property level as part of investor reporting.

Additional initiatives

- Participation in recognised industry benchmarks (e.g. GRESB), subject to product and investor requirements.

- Use of climate scenarios, robust climate risk assessments and ESG due diligence during the operational phase, depending on product or investor requirements.
- Planning to establish transparency and comparability of buildings using an analytical tool.
- Evaluation of green building certifications such as LEED, BREEAM or DGNB Gold within the portfolio.

Taking sustainability risks into account in investment decisions

The due diligence requirements in the context of investment decisions take the management of sustainability risks into account to an appropriate extent. As part of its investment process, Art-Invest Real Estate not only incorporates relevant financial risks into its investment decisions and assesses them on an ongoing basis, but also takes into account sustainability risks that could have a significant and material negative impact on the performance of an investment. In doing so, stranding risks are also analysed using the CRREM methodology.

The extent to which sustainability factors are taken into account in the respective investment process is discussed in close consultation with the investors of the relevant investment fund and defined and subsequently implemented in accordance with their individual understanding of sustainability and their individual sustainability needs.

E. Engagement

Memberships and initiatives

Art-Invest Real Estate supports the development of the property sector with regard to sustainability aspects. To this end, the company actively participates in various organisations and associations to promote dialogue on ESG issues and their integration into investment processes.

At **a corporate level**, Art-Invest Real Estate's commitment includes:

- Signing up to the **PRI** in the 'Investment Manager' category.
- Active membership of **the UN Global Compact** and the **UN Global Compact Network Germany**, as well as alignment with selected Sustainable Development Goals (SDGs) within the scope of its business activities.
- Compliance with the **BVI** Code of Conduct.
- Active participation in working groups and committees of **the BVI** and **ZIA** (Zentraler Immobilienausschuss e. V.).
- Membership of **INREV** (Investors in Non-Listed Real Estate Vehicles).
- Participation in the 'IMMO2.Zero' working group of **DENEFF** (German Business Initiative for Energy Efficiency e. V.).
- Involvement in **the ULI** (Urban Land Institute).

At **property level**, this commitment includes:

- The use of **GRESB** (Global Real Estate Sustainability Benchmark) reporting for selected funds.
- The pursuit of building certifications, such as **LEED**, **BREEAM** and **DGNB** (German Sustainable Building Council), as well as **WELL certifications**, which take into account criteria relating to the health and wellbeing of building users, and **WiredScore** with regard to connectivity and technical infrastructure.

Corporate engagement

The obligation to disclose the engagement policy in accordance with Article 3g of Directive 2007/36/EC (the so-called ‘Shareholders’ Rights Directive’) does not apply to Art-Invest Real Estate. As part of its business model, the Management Company or its investment funds do not invest in listed public limited companies and consequently do not attend annual general meetings of such companies nor can they delegate the exercise of voting rights.

Investor engagement

Art-Invest Real Estate actively involves investors in relevant decision-making processes and in the further development of sustainable investment approaches. Particular emphasis is placed on providing support in meeting regulatory requirements, especially with regard to products under Articles 8 and 9 of the SFDR.

Furthermore, the company promotes the continuous development of existing investment products in light of increasing sustainability requirements. To this end, the company provides well-founded, decision-relevant information and offers workshops in which strategic approaches and concrete courses of action are conveyed in a practical manner.

Employee involvement

Art-Invest Real Estate attaches great importance to ensuring that employees are actively involved in the implementation of ESG initiatives and practices. This involvement extends across various aspects of corporate life and is reflected in a number of measures.

- Implementation of a comprehensive sustainability strategy to support a consistent approach to and understanding of sustainability across all areas of the business.
- Sharing examples of sustainable practices within the company.
- Raising awareness of sustainability amongst employees through advisory calls, workshops at branch offices and cross-organisational academy programmes.
- Provision of regular information on ESG topics via the intranet and ongoing newsletters.

- Encouraging the use of environmentally friendly modes of transport, such as trains, for business travel, and reducing air travel through appropriate amendments to the travel policy.
- Encouraging employees to act in an environmentally conscious manner in their day-to-day lives, for example through initiatives to reduce waste.
- Creating a supportive working environment through family-friendly and flexible working hours and working conditions.
- Encouraging and supporting staff to take an active part in social projects and charitable activities, such as Social Day, in order to strengthen social engagement.

F. Reporting

For Art-Invest Real Estate, acting responsibly means communicating openly and transparently about business decisions and processes – both internally and with stakeholders. For this reason, the organisation has established the following reporting structures.

Internal reporting

Internal reporting ensures that relevant stakeholders receive structured, regular and ad hoc information on sustainability issues. The asset management team informs the fund management team about property-specific sustainability measures during quarterly meetings. The Executive Board is kept informed of relevant developments on an ongoing basis and, where necessary, on an ad hoc basis. The Supervisory Board is informed of key sustainability issues on a quarterly basis during its regular meetings.

Furthermore, internal reporting supports the integration of sustainability considerations into the investment strategy. As part of the quarterly reports, the potential impact of sustainability factors on investment strategies is regularly analysed and assessed.

External reporting

External reporting serves to communicate sustainability information transparently to investors and, where required by law, to the public. Art-Invest Real Estate partially outsources the preparation of client reports, such as annual reports. In doing so, compliance with the mandatory disclosures under the SFDR and the Taxonomy Regulation is ensured. The scope of the required disclosures varies depending on whether the product in question is a specific ESG product under Article 8 or 9 of the SFDR.

As part of its mandatory disclosures under the SFDR, Art-Invest Real Estate discloses on its website whether it takes material sustainability risks into account at both the company and product levels, and whether or not it considers material adverse impacts on sustainability factors in the context of investment decisions (so-called Principal Adverse Impact, PAI).

As part of its regularly published sustainability report, Art-Invest Real Estate provides information on its sustainability strategy. Among other things, the report discloses emissions data and outlines selected ESG instruments and how they are applied within the organisation.

Publication on Art-Invest Real Estate's corporate website ensures that relevant stakeholders have ongoing access to the latest sustainability issues.

G. Organisation and implementation

Responsibilities

The Executive Board is responsible for the direction, communication and implementation of the Responsible Investment Policy, with a particular focus on its integration into Art-Invest Real Estate's risk culture. This responsibility also includes embedding the policy within the organisation through defined process structures.

Internal review

The Responsible Investment Policy is reviewed both upon its initial adoption and whenever amendments are made by the Sustainability Management and Risk Management teams. These reviews take place at least once a year, in line with the sustainability strategy, in order to continuously adapt the policy to current developments and strategic objectives and to ensure its relevance and effectiveness. Any revisions or significant amendments must be approved by the Management Board in a timely manner.

Distinction from other guidelines

The Responsible Investment Policy is consistent with Art-Invest Real Estate's sustainability strategy, which is updated at regular intervals. It is also consistent with the internally developed and applied guidelines for sustainable construction and the policy on achieving 'net-zero emissions'. Furthermore, the management has implemented additional sustainability guidelines which commit Art-Invest Real Estate to respecting human rights and adhering to clear principles for the treatment of employees, including the values of diversity, equality and equal opportunities. These guidelines comprise the "Guideline on Human Rights and Social Working Conditions" and the "Guideline on Diversity, Equal Treatment and Inclusion".