

ESG POLICY AND STRATEGY





E

Around 30% of the assets under management by KGAL are investments in renewable energies and sustainable real estate.



S

KGAL is committed to diversity, to the physical and mental well-being of all employees and to a good work-life balance.



G

ESG is practised at every hierarchical level at KGAL and is implemented organisationally in the triad of the Management Board, ESG Committee and ESG Office.

Signature of the UN PRI

Our ESG (Environmental, Social, Governance) guidelines are a key cornerstone of our investment strategies. All of us at KGAL are convinced that a clear ESG focus creates benefits for our investors and our company in both financial and social terms.

As a leading independent asset manager with a focus on real estate, renewable energy and aviation finance, we are privileged to have a direct positive impact on issues that affect society as a whole. Our business is not just about investing, but always about people and a liveable environment; our ESG policies are designed accordingly.

And so, with our investment decisions, we repeatedly provide answers to global challenges such as urbanisation, the development of sustainable energy sources and forms of mobility in the 21st century. In doing so, we continuously review our ESG guidelines for their effectiveness and incorporate our own findings and experience as well as those from good practice models of competitors.

We would like to introduce you to our ESG approach on the following pages: The regulatory and organisational framework we have set and its implementation in our investment and asset management activities.

GERT WALTENBAUER
CHAIRMAN OF THE MANAGEMENT BOARD
KGAL GMBH & CO. KG



ESG STRUCTURE & IMPLEMENTATION

As a responsible asset manager, we integrate ESG aspects into all investment analyses and decision-making processes. We are convinced that our actions have a major impact on our environment and society. Moreover, a consistently implemented ESG strategy can increase the value and impact of our investments and minimise potential risks.

KGAL Group is guided by the principles of the United Nations Global Compact and has been a signatory of the Principles for Responsible - Investment (PRI), also initiated by the United Nations, since 2018. We are thus officially acknowledging our responsibility as an asset manager with an investment volume of over 16.5 billion euros and 50 years of experience. As signatories, we commit to the following actions:

- We take ESG criteria into account in investment analysis and decision-making
- We incorporate ESG issues into our ownership policies and practices
- We ensure appropriate disclosure of ESG engagement with the companies in which we invest
- We drive the acceptance and implementation of the PRI principles in the investment industry
- We increase our effectiveness in implementing the Principles through collaboration with other signatories
- We report on our activities and progress in implementing the principles in each case

By signing the UN Principles for Responsible Investment ("PRI") in 2018, the Group has placed ESG at the heart of its business.



Before we committed to the PRI requirements, KGAL went through a comprehensive review process: Our business model was analysed with regard to all PRI principles.

Adherence to the principles does not end with the signature, but is based on the of the annual audits of the PRI is ensured. Subsequently, adjustments are made as necessary. All employees are obliged to act in accordance with the Principles at all times.

In our sustainability management, we focus primarily on the following fields of action:

- Sustainable corporate governance
- Sustainable products
- Sustainable HR management
- Sustainable business operations
- Social engagement
- Sustainable communication

All fields of action aim to contribute to the United Nations Sustainable Development Goals (SDGs) to ensure sustainable global development. KGAL also supports the Sustainability Code of the German Real Estate Industry (ZIA). KGAL is also a supporting member of the Task Force on Climate-Related Financial Disclosures (TCFD).

A key role in the consideration of ESG aspects has the reduction of risks at all levels - management, corporate, fund and property level - as well as along the entire value chain. In addition to a decent return, the aim is always to achieve a positive ESG impact. In line with the business strategy, KGAL also considers climate-related risks, which we regard as influencing factors for financial risks, as an integral part of risk management. For our clients, we protect assets from climate-related risks and advocate for a low-carbon economy.

To ensure that ESG aspects are sustainably integrated into all our business processes, we constantly align our strategic and operational goals at corporate and fund level with our corporate culture. In this context, our employees and their behaviour in their daily work are of central importance. For this reason, we already implemented a code of conduct ten years ago, which is based on four pillars - one of which is sustainability - and is lived by all employees.

We also promote an open dialogue on ESG with our clients and all other stakeholders on whom our decisions impact or could impact. Furthermore, we not only support investors in choosing appropriately structured investment vehicles, but also assess their compatibility with the relevant ESG requirements - be they statutory or voluntary.

On behalf of the management, the ESG Office of the KGAL Group coordinates all ESG-relevant activities in consultation with the ESG officers of KGAL's specialist departments. It is responsible for a functional sustainability management system that is always able to cope with dynamic changes, whether of a regulatory or social nature. The aim is to contribute to the 17 SDGs in everything we do and to report on them transparently in accordance with the requirements of the German Sustainability Code.

Our clear and long-term oriented business model excludes business activities in connection with the manufacture of weapons of any kind, with nuclear power plants and with regard to gambling. Furthermore, the KGAL Group does not participate in speculation on the price development of basic foodstuffs.

Direct investments in fossil fuels - this includes oil and gas extraction - in infrastructure primarily geared to oil and gas, and in electricity and heat generation from fossil sources are also excluded. Investments in facilities or buildings that use fossil fuels for operations (for example, renewable energy facilities or power supply and building heating) are possible.



SUSTAINABILITY - FIRMLY ANCHORED AT ALL LEVELS

| | | | |
|------------------------------------|--|---------------------------------|------------------------------|
| Board Level | Sustainable Development Goals United Nations Global Compact UN Principles for Responsible Investment (PRI) German Sustainability Code | | |
| Company Level | Management Level | | |
| | Sustainability guidelines Business strategy incorporating ESG criteria Risk strategy Code of conduct | | |
| | Sustainable Human Resources Development | Environmental Management | Social responsibility |
| Fund and Property Level | ESG risks and opportunities are permanently identified and managed in all investment phases and for all asset classes. | | |
| | Real estate | Infrastructure | Aviation |
| Communication | Sustainability reporting | | |

ENVIRONMENTAL GUIDELINES

KGAL Group adopted a mission statement back in 2010 that takes environmental protection into account as a strategic goal. KGAL Group not only wants to offer sustainable products for investors, but also to play an active and sustainable role for the environment and society.

The KGAL Group collects its corporate climate footprint annually with the help of a recognised external partner. The total emissions caused by the KGAL Group's business operations amounted to 951 tonnes of CO₂ in the financial year 2021.

KGAL Group has adopted a comprehensive climate strategy that is aligned with national and European climate targets:

- KGAL has been a climate-neutral asset manager since 01.01.2021. This means that all direct emissions, all indirect emissions from energy consumption and emissions in connection with our business operations (business trips, employee commuting, water and paper consumption and the purchase of office supplies) are offset.

- In order to pursue credible climate protection, KGAL's understanding of climate protection includes reducing emissions in addition to climate neutrality targets. Therefore, our goal is to reduce emissions from business activities by at least 5 % annually

- In line with the goals of the Paris Agreement, KGAL aims to make all emissions directly related to our investment activities in all asset classes climate neutral by 2050

To achieve these climate goals, we have defined far-reaching measures that affect both business operations and our investments. The measures can be divided into five principles: Measure, Integrate, Reduce/Avoid, Compensate, Report. At KGAL's headquarters in Grünwald near Munich, three photovoltaic systems installed on the roof generate renewable energy that can be used for our buildings but is largely fed into the grid. This alone reduces CO₂ emissions by over 50 tonnes per year.

Around 30 % of AuM at KGAL

are investments in renewable energy - solar energy, wind and hydropower plants - as well as funds that pursue a sustainability strategy





over 10 years **Length of service**

Average length of service of KGAL employees



Flexible working hours and mobile working

There is the possibility to work mobile up to ten days a month



24 nationalities

In the KGAL workforce

SOCIAL GUIDELINES

The United Nations has set out its ten principles for human rights, labour, the environment and anti-corruption in the Global Compact. They are the guiding principles for our understanding of social responsibility and are reflected in our Code of Conduct.

For us, this responsibility also includes complying with other basic regulations such as the UK Modern Slavery Act of 2015. The UK Modern Slavery Act defines measures to prevent slavery and human trafficking through business operations and in the supply chain.

We are committed to the well-being of our employees and have implemented a company health management system as well as individual fitness offers. We also support the professional development of our employees through an advanced training programme with targeted training courses.

KGAL employees have the option of working on a mobile basis for up to 10 days per month. This makes it easier to combine family commitments with working life. It is also possible, to a defined extent, to pursue charitable causes during working hours. Diversity is a key criterion for our staff recruitment. We thereby not only contribute to being a more attractive employer, but also create a more tolerant and respectful working environment. At the end of 2021, the average length of service of employees was around twelve years and women accounted for 50% of our workforce.

50 tonnes of CO₂ saved per year

Through solar modules on the roof of KGAL's headquarters



At our wind farm Kastorf in Schleswig-Holstein, we have significantly reduced adverse impacts on the immediate surroundings.

With the KGAL climate strategy, we want to achieve climate neutrality and thus meet the goals of the Paris Agreement of 2015.

GOVERNANCE GUIDELINES

We exclude all business activities related to the manufacture of weapons of any kind, nuclear power plants and gambling. Furthermore, we do not invest in fossil fuels and do not participate in speculation on the price development of basic foodstuffs.

Corporate responsibility is at the core of everything we do. We have therefore integrated our ESG guidelines into our business and risk strategy; in addition, we have set up a Group-wide ESG Office, which is responsible for the development and coordination of the key ESG processes at KGAL. The company-wide, strategic decisions in this regard are made in the ESG Management Committee, in which the key persons of the company management are represented. Each asset class has its own ESG Manager who works closely with the ESG Office. In this way, we achieve optimal implementation of strategy and regulation.

Our Code of Conduct is a correspondingly binding guide for each of us.

This Code is continuously reviewed to ensure that it is up to date. If social changes or new political regulations become apparent in fields that affect these guidelines, we adapt them with foresight - in order to continue to act responsibly, reliably and in compliance with the law.

We have established comprehensive compliance and sustainability rules, especially for processes that affect our customers. For new products, for example, we also assess country risks with regard to criteria such as peace status, human rights and corruption. For this purpose, we draw on recognised independent sources such as Transparency International, Freedom House and the World Peace Index.

In addition, the awarding of contracts to third parties is linked to our guidelines: for example, in business relationships with new suppliers, service providers and contractors, compliance with the protection of human rights, environmental protection and occupational safety must be ensured by the contractor. Compliance with the guidelines for sustainable procurement is accordingly obligatory for all suppliers.

ORGANISATIONAL STRUCTURE



IMPACT OF OUR INVESTMENTS

Through the asset classes in which we invest directly as KGAL, we can contribute directly to positive ESG results. Around 30% of the assets under management at KGAL are investments in renewable energy (solar, wind and hydropower), in environmentally friendly buildings and in funds with a specific sustainability strategy.

INFRASTRUCTURE (RENEWABLE ENERGY AND GREEN HYDROGEN)

In 1991, Germany was one of the pioneers of renewable energy: a fixed payment was guaranteed by law for feeding electricity from renewable energy sources into the public grid. Many other countries followed suit, and now - three decades later - more and more "green" energy is being produced worldwide. Starting from 150 gigawatts in 2015, global renewable energy production is forecast to double to 300 gigawatts by 2040.

It is estimated that a total of 12.2 billion US dollars will be invested in the development of new power generation capacity by 2040, 65% of which will be in renewables. In emerging markets, the need for investment is rising sharply, but developed markets such as Europe are also expected to see significant growth in renewable energies.

In extreme contrast to this is the estimate that around 1.5 billion people worldwide have no access to electricity. Against this backdrop, the potential of renewable energy projects that could provide a remedy with a low-cost, sustainable power supply in developing countries is enormous.

Fully under power

KGAL's infrastructure portfolio consists of 100% investments in renewable energies. The investments in solar energy, wind power and hydropower that we make on behalf of our clients make a significant contribution to the energy transition: Away from fossil fuels and nuclear power towards renewable energy.

KGAL invested in a wind farm in Germany for its investors for the first time in 2003, followed by an investment in a photovoltaic plant in 2005. In 2021, KGAL's renewable energy portfolio generated around 2,433 GWh of green electricity and supplied over 1.87 million people. Assuming a value of 4,000 kWh per household, this corresponded to around 608,300 households. These figures will continue to rise as we plan to launch new funds to channel investments into this sector.

A whole series of new renewable energy funds have been created thanks to the capital provided by our clients, such as KGAL ESPF 4. Among other things, a solar power plant was built on Sardinia for this fund; the development is being carried out together with local partners. A new fund, ESPF 6, is currently being launched, which will invest exclusively in green hydrogen. We are thus taking the next step in the value chain of renewable energies.



over 600,000 households

Number of households supplied with green electricity through the production of 2.4 TWh of our infrastructure investments



Conscientious treatment of nature

With regard to environmental protection and the wider impact of our activities in the field of renewable energies, we take a holistic approach.

We implement a wide range of environmental protection measures at our wind farms. At the Kastorf wind farm, for example, these include the following:

- To prevent residents from being disturbed by shadows, the turbines switch off at certain positions of the sun.
- All turbines within 500 metres of freshly harvested fields are operated exclusively at night for five days so that the local red kites can hunt undisturbed during the day.
- From May to September, some of the turbines are also switched off at night in certain weather conditions to protect the bat population there. In addition, ultrasound microphones record the bat flights to evaluate the effectiveness of this measure.



KGAL's solar park on Sardinia



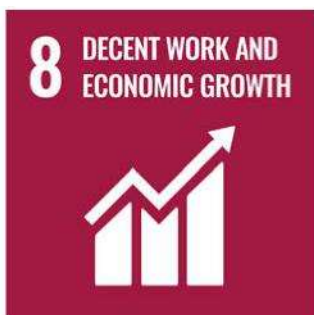
KGAL's investment in Veja Mate, Germany's second-largest offshore wind farm

INFRASTRUCTURE

We are aware that our investment decisions have a major impact on the environment and society. At the same time, we create financial added value for our clients. Overall, we are making a significant contribution to achieving the SDGs, exemplified here by the infrastructure asset class.



With electricity from a renewable energy source, clean electricity is available.



The construction and operation of the wind farm creates jobs that promote economic growth.



The investment contributes to the energy transition in Germany as well as in the EU and supports the development of renewable energy



Due to the increase in electricity generation from renewable sources, the consumption of fossil fuels is - decreasing at the same time.



The wind farm is one element in the further expansion of - renewable energy, which the European Council has set as a climate target for 2030.

AIRCRAFTS

In the aviation sector, we work together with - responsible companies that are working intensively on solutions to reduce carbon dioxide emissions through innovative aircraft technology, sustainable fuels and compensation options. Although CO₂ emissions from aviation cannot be ignored, no other transport sector has reduced fuel consumption as much as aircraft in recent years. In Europe, average fuel consumption in commercial air transport fell by 24% from 2005 to 2017 to 3.4 litres per 100 passenger kilometres. With each new generation of aircraft, fuel consumption is reduced by up to 25 %. In order to achieve the goal of carbon-neutral - growth from 2020, the aviation industry introduced the first CO₂ offset scheme in 2016. This so-called CORSIA programme (Carbon Offsetting and Reduction Scheme for International Aviation) stipulates that all growth-related emissions that the aviation industry does not reduce through technological, operational or infrastructural measures, or through the use of sustainable

aviation fuels will be offset by market-based measures from 2020 onwards. Wherever we can exert influence, we support this endeavour: With an average age of less than 5 years (as of 2022), our aircraft fleet is considerably younger than the industry average of over 10 years. Through our active asset management, we maintain first-class functionality of our aircraft and thus also contribute to emission reductions. In the context of ESG, we are also particularly aware of social responsibility. Aviation growth in the 2020s and 2030s is expected to come from different parts of the world - and a growing aviation industry will fundamentally foster global development and interconnectedness. Developing countries deserve to have access to the benefits of air transport.

**25 % less
fuel consumption**

Average reduction through investments in a new generation of aircraft
as in K GAL's Aviation Portfolio Funds



Airbus A320neo aircraft as an example of our preferred investment in narrow-body aircraft

AIRCRAFTS

In our role as one of the leading asset managers in the aviation sector, KGAL does not question whether people will continue to fly in the future, but rather how the aviation needs of global society can be managed responsibly. Overall, the aviation industry can make a significant contribution to achieving the SDGs. In exchange with our customers, we support this wherever we can exert influence.



International air transport opens up remote regions where less affluent people live. This has a positive impact on education, a key element in the welfare development of lower-income social groups with lower incomes.



Global air freight transport also provides fast and direct access to remote areas where food and relief supplies are needed, for example in emergencies. In addition, through the World Food Programme and other charities, aviation supports the delivery of critical humanitarian aid to regions devastated by natural disasters and war.



Thanks to air transport, medical assistance (in the form of medical teams and medicines) can be provided immediately at any location, even in less developed areas, with the appropriate infrastructure.



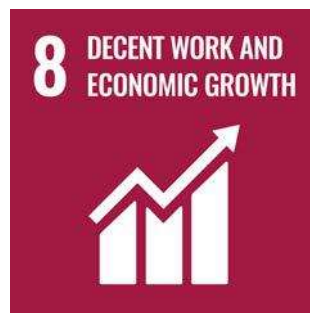
International education programmes and the development of infrastructure in weak regions are only possible thanks to this mobility.



Air travel promotes cultural exchange and thus contributes to peacekeeping. Regions with traditionally weak gender equity are potentially positively influenced by global inter-cultural exchange and dialogue.



The aviation industry is working hard to develop sustainable jet fuels and ways to use renewable energy in airports. In the coming years, fuel can - become up to 80% less carbon intensive compared to traditional fossil alternatives.



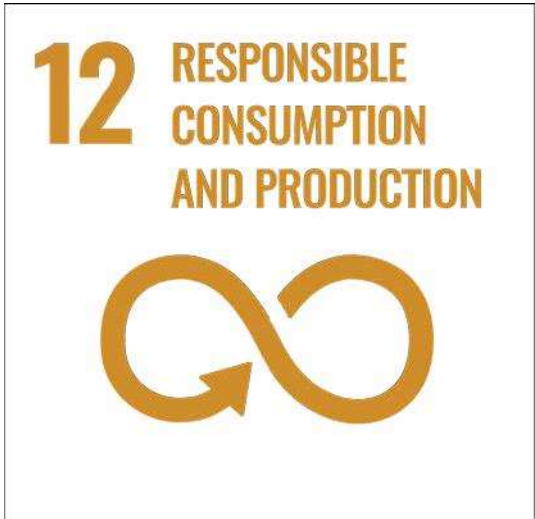
Air travel is indispensable for brisk economic growth and constant exchange between market participants. Direct interaction cannot be completely replaced by telecommunications. Access to air travel supports developing regions accordingly.



Aviation is a cornerstone of the world's transport infrastructure and has always been a driver of innovation. Each new generation of aircraft is - associated with double-digit increases in fuel efficiency; new aircraft consume up to 20 % less than their predecessors. As a result, today's modern aircraft produce 80% less CO₂ per seat than the first jets did in the 1950s. More than 3,400 aircraft will reach 20 years of age by 2025 and will need to be replaced. ¹



As mentioned under goal number 5, air travel contributes to a more open dialogue between people and thus also to a better understanding between and within countries. In this way, injustices can be identified and -improvements initiated. With its capacity for long-distance transport, air travel promotes the worldwide intercultural exchange of knowledge. International education programmes and the development of -infrastructures in weak regions are only possible thanks to this mobility.



Airlines and aircraft manufacturers are working together to responsibly dispose of aircraft at the end of their life cycle. For most commercial aircraft, 80-85% recycling is currently possible, depending on the aircraft type, and in some cases as much as 99% can be recycled. The goal for the next 20 years is to develop a completely recyclable aircraft model. Based on increasing passenger numbers, the amount of waste could double in the following ten years. Some airlines have already taken measures to reduce waste on flights, for example through the ReTrolley.



As early as 2009, aviation stakeholders agreed on a climate protection strategy that envisages a reduction in fuel consumption of 1.5% per year and a halving of net CO₂ emissions by 2050. The benchmark is 2005. The benchmark is the year 2005. The long-term goal is climate-neutral aviation.



International peace missions, for example using the UN Blue Helmets, are difficult to carry out in regions of war or unrest without fast and flexible air transport.

REAL ESTATE

Our real estate business is committed to achieving financial goals while adhering to market-leading ESG standards at the asset and fund level. ESG factors, including social and economic factors, are central to our investment decisions.

We want to contribute to an environmentally and socially responsible real estate industry through forward-looking risk analyses and - innovative fund strategies. As a signatory to the UN Principles for Responsible Investment, the focus of our ESG activities in the real estate sector is on the following Sustainable Transformation Goals (SDGs):

- Climate protection measures
- Sustainable cities and communities
- Health and well-being

We use a cross-departmental system to analyse our investments, from technical building elements such as heating and cooling systems, sun protection and building management systems to sustainable contractual relationships such as green leases or sustainable procurement guidelines.

Benchmarking development

GRESB is the global ESG rating system for over 1,000 real estate companies and 100,000 assets around the world. KGAL Fonds Core 4 regularly participates in the GRESB assessment. Here it was most recently 2021 will be awarded the Green Star.

Fitwel is the world's leading certification system for health and well-being in buildings. Properties are - assessed on how well they support wellbeing and - sustainable practices, based on their building fabric - and operations. Some of our properties have already achieved this certification. In relation to our properties, we work with a leading provider to collect data on CO2 emissions and energy and water consumption from our properties. The aim is to - further reduce carbon emissions and achieve carbon neutrality in the long term.

With Core 5, we recently launched a particularly sustainable fund that meets the high requirements for Art. 9 funds of the EU Disclosure Regulation.



ESG factors

are central elements
of our investment decisions

Neighbourhood developments: Promoting sustainable and social urbanisation. With the advancement of the knowledge industry, the importance of urban regions as work clusters is increasing. Half of the world's population currently lives in urban areas. By 2050, the proportion will increase to two thirds.

This makes affordable housing and urban quality of life increasingly important social issues. As a long-term property owner and landlord, we also see this challenge as an opportunity to improve the locations where we are present, while increasing tenant satisfaction and retention.

Good neighbourhood developments are not only social, they support environmentally friendly modes of mobility through their connection to public transport and local utilities, education and services. It is estimated that more pedestrian-friendly cities could - avoid up to nine gigatonnes of carbon dioxide emissions worldwide by 2050. The Urban Land Institute (ULI) estimates that more pedestrianised cities could lead to a 20 to 40 per cent reduction in car use.



Over 25% sustainable buildings

within our sustainable Core 4 fund, with certificates such as Leed, BREEAM, DGNB or bluecard ÖGNI



"DRN" in Prague, one of our most recent acquisitions



In Stuttgart is one of the founding investments of the Core 4

When selecting property acquisitions, we attach great importance to the long-term sustainability of an investment. Through years of research, we have been able to identify the characteristics that make an ecologically, socially and economically sustainable location. These characteristics have been integrated into our 'KGAL Location Rating' and are evaluated for each address in Germany and in selected European locations as well as worldwide. The 'KGAL Location Rating' measures the accessibility of an address to important facilities for daily needs and thus allows a quick desktop analysis of the attractiveness and sustainability of a location. Four clusters of criteria are included, which are weighted accordingly: local public transport with 40%, retail and service provision with 25%, gastronomy with 25% and public facilities with 10%.

A particularly vivid example of holistic, sustainable neighbourhood development is "Perlach Plaza" in the east of Munich.

Well embedded in its surroundings, the mixed-use neighbourhood offers urgently need- The neighbourhood is designed to provide affordable living space for several hundred residents. In addition to a hall of residence for students, the neighbourhood also includes subsidised and handicapped-accessible flats.

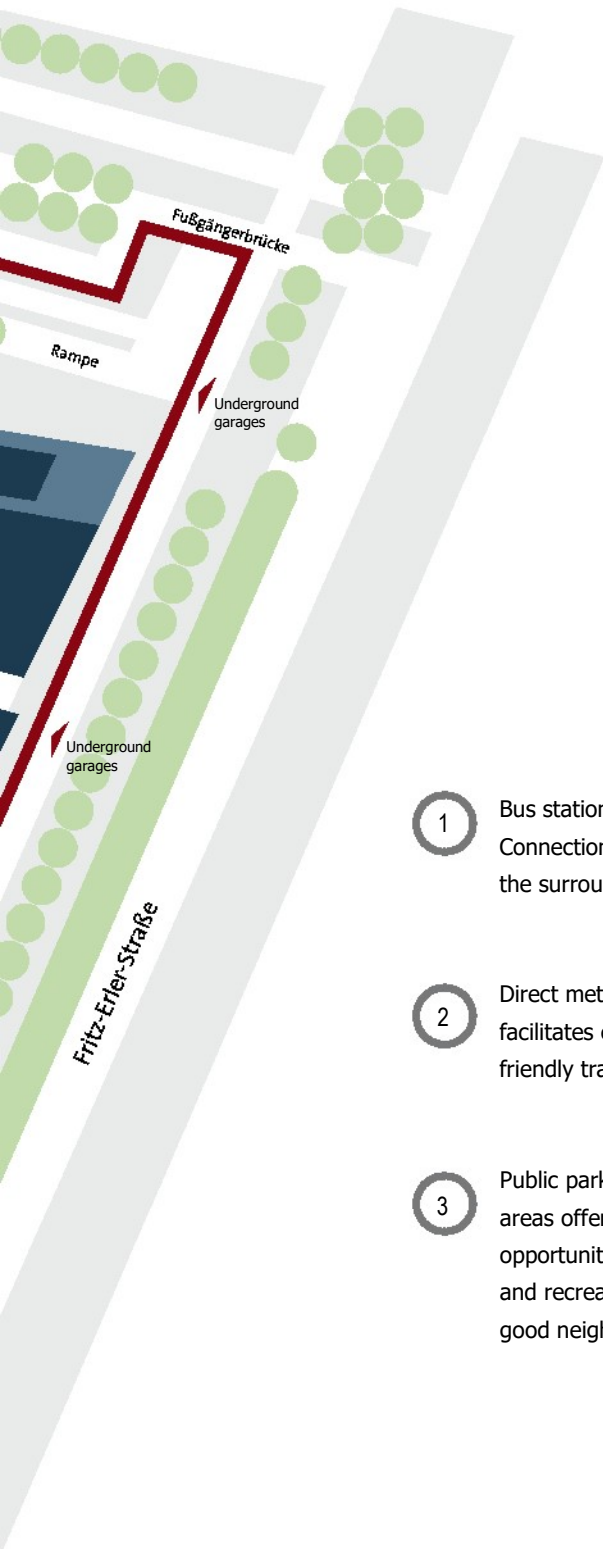
For a sustainable and future-proof energy supply, the project relies on the use of geothermal energy and thus has a very high energy efficiency. In addition to the direct underground connection, a holistic low-emission mobility concept is being pursued. E-charging stations, a car and bike sharing service, more than 400 bicycle parking spaces and an open bicycle workshop for all residents have been - integrated into the neighbourhood. The centrepiece - an approx. 5,000 square metre - park - not only offers play and relaxation opportunities for the neighbourhood and habitats for local animal species, the green space relieves the existing sewage system and ensures natural cooling at the same time.





Perlach's new centre "Perlach Plaza"





1 Bus station offers direct Connections in the surrounding neighbourhoods

2 Direct metro connection facilitates environmentally friendly transport decisions

3 Public park with play and rest areas offers local residents the opportunity to engage in sports and recreation and ensures a good neighbourhood climate.

4 E-filling stations and car-sharing services support sustainable mobility

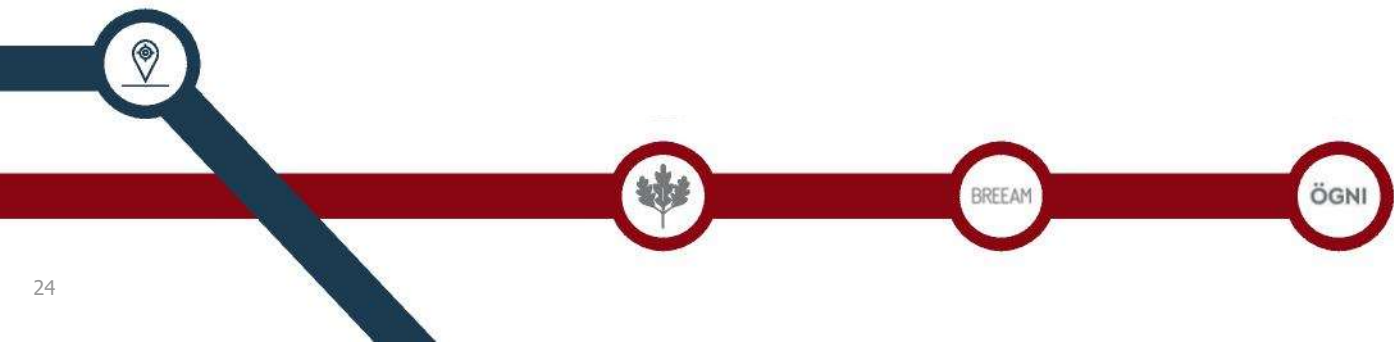
5 Underground car park instead of parking spaces promotes the safety and attractiveness of the facility

6 Green spaces and shady tree groups reduce high summer temperatures and relieve the local sewage system



View of the courtyard façade

- 1** Mixed-use quarter "the short Ways" integrates housing, Retail, services, E-bike stations and reduced car usage
- 2** Furniture that invites people to linger enhances the quality of life and promotes a sense of "we"
- 3** Weekly market, playgrounds and outdoor gastronomy revitalise the area and promote social cohesion
- 4** "Round-the-clock presence" and revitalisation through gastronomy, hotel, (student) housing, fitness (24h) increase safety, especially for women, families and seniors
- 5** Sustainable lighting concept and good sightlines ensure energy efficiency and increase the feeling of safety in the evening
- 6** District heating, sun protection and the latest construction methods ensure an efficient energy

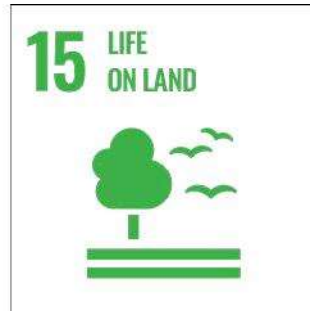


REAL ESTATE

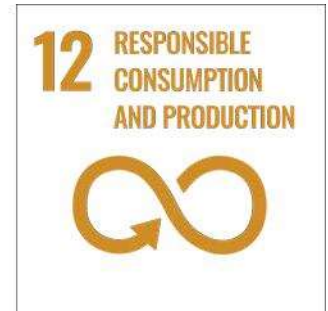
We are convinced that our investment decisions have a major impact on the environment and society. At the same time, we create financial added value for our clients. Overall, we thus make a measurable contribution to achieving the SDGs, exemplified here by the asset class of real estate.



Daily short walking distances can significantly reduce the risk of cardiovascular diseases and other ailments. Noise pollution is reduced thanks to lower noise levels.



Less land consumption and soil sealing reduces the risk of flooding. At the same time, land is protected in terms of biodiversity.



The consumption of fossil fuels is decreasing.



Air quality is improving.



Urban green spaces reduce the overheating of cities in summer.



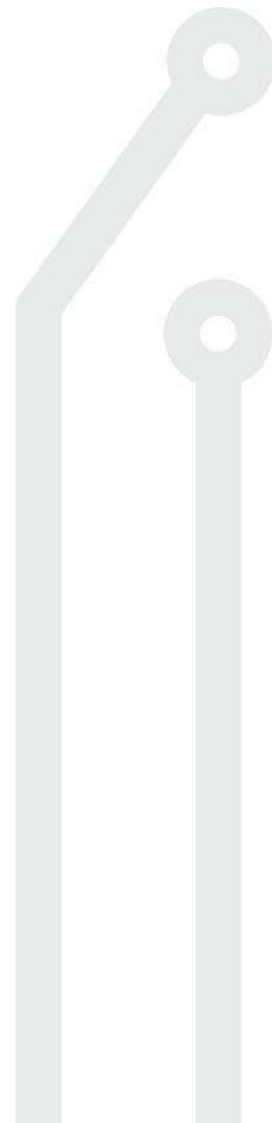
Better accessibility on foot ensures more safety (through busier streets) and thus also more freedom of movement for disadvantaged groups such as women.



An attractive public space has been proven to lead to more social cohesion and better integration.



Commuters can more easily switch to public transport and active transport.



ESG PROGRESS

- Consideration of the sustainability impacts of all three asset classes in our investment guidelines.
 - In 2021, KGAL's renewable energy portfolio generated around 2,433 GWh of green electricity and supplied over 1.87 million people. Assuming a value of 4,000 kWh per household, this corresponded to around 608,300 households.
 - For all asset classes, we identify ESG indicators for the management of our investments and the associated transparent reporting. In addition, we obtain transparency through exchanges with clients and other stakeholders.
- How current sustainability issues are dealt with in the houses in order to learn from each other and to coordinate needs.
- We measure the carbon footprint of our business activities and, in some cases, of our products with the help of external experts. In this context, we have reduced our emissions to 951 tonnes of CO₂ in 2021 through effective measures.
 - Assessment of ESG aspects of our business partners and suppliers.
 - Launch of Article 9 funds in the area of Sustainable Infrastructure and Real Estate, which pursue specific sustainability goals



CONTINUOUS IMPROVEMENTS

At KGAL, we know how important trust is. Crucial to this are our corporate values and behaviours that we live by - ultimately, they are what make the company. In this context, the ESG guidelines and the ESG strategy are a fundamental part of our corporate culture; we want to continuously increase their relevance and effectiveness.

Analyses have found a positive interaction between a sustainable corporate culture and the company's performance. In our competitive market environment, we strive to firmly establish a corporate culture that is responsible, diverse, sustainable and always in harmony with our employees and customers.

The future of investment will be based on a holistic approach to sustainability. As we move forward, we want to expand our ESG strategy so that it creates social and financial benefits in - equal measure.

With a view to continuous ESG improvements, we are driving the following initiatives:

- With the KGAL climate strategy, we would like to make a contribution to the national and European climate targets with regard to climate neutrality.

- From 2018 to 2021, we reduced total emissions related to our operations by over 46.
- We include an ESG analysis in the due diligence risk assessment for all products. Climate-related risks are also addressed in the regular risk reporting for our investors.
- We assess the sustainability performance of countries in which we do business to evaluate the impact of our operations.

As a responsible provider of asset and investment management, we want to contribute to the achievement of the 17 SDGs. Against this backdrop, we show our measures in the three asset classes and their impact on these goals by way of example. The ESG guidelines and the ESG strategy are a fundamental part of our corporate culture - we want to continuously increase their relevance and effectiveness.

The ESG policy and strategy is a fundamental part of our corporate culture and we strive to continuously improve its relevance and effectiveness.



YOUR ESG CONTACT PERSONS AT KGAL

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KGAL Gruppe

KGAL Group is a leading independent investment and asset manager with an investment volume of around €16.5 billion. The focus of its investments is on long-term real capital investments for institutional and private investors in the asset classes Real Estate, Sustainable Infrastructure and Aviation. The group, which operates throughout Europe, was founded over 50 years ago and has its headquarters in Grünwald near Munich. 338 employees contribute to achieving sustainably stable returns, taking into account return and risk aspects. (Status 31.12.2021)

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