

KGAL Group Signs Principles for Responsible Investment (PRI)

Grünwald, Germany 30.10.2018 – KGAL Group – a leading independent investment and asset manager – has signed up to the Principles for Responsible Investment, underlining the company's commitment to enacting social responsibility through the implementation of tangible measures.

KGAL's investments in Real Estate, Aviation and Renewable Energies take into account social trends such as urbanisation, clean energy and resource-efficient mobility. Sustainability criteria are becoming increasingly important in the selection of investments. Gert Waltenbauer, CEO of the KGAL Group, explains: "Sustainability is a strategically relevant topic. It helps us to better recognise and control opportunities and risks." Before signing, KGAL participated in a comprehensive consultation process, in which all aspects of environmental, social and governance (ESG) topics were analysed. The PRI define guardrails that are increasingly relevant for investors. According to CEO Waltenbauer, sustainability management represents a tool that enables KGAL to fulfil its responsibilities to its customers and society in general.

The finance industry must integrate ESG criteria at all business levels

Representatives of KGAL Group are currently holding discussions with institutional investors about the best way to achieve ESG integration. In a round table at the London Stock Exchange, Tim Van den Brande, Senior Director of KGAL Capital GmbH & Co. KG, outlined two steps. "When it comes to ESG integration, the first thing we need to do is ensure that our corporate culture and our strategic and operational objectives are aligned." As the second step, Van den Brande added that information pertaining to ESG should be integrated into the decision-making process to enhance risk/yield analyses.



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Contextual information:

The UN PRI sets out the following six principles:

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

The UN Principles for Responsible Investment (UN PRI) is an investor initiative that was established in 2006 by the United Nations Environment Programme Finance Initiative (<u>UNEP</u>) and the <u>UN Global Compact</u> in partnership. This <u>UN-backed initiative</u> is an international network of investors (source: <u>www.unpri.org</u>).

KGAL Group is a leading, independent investment and asset manager with an investment volume of €22.7 billion. Its investment focus is on long-term capital investments for institutional investors in the real estate, infrastructure and aircraft asset classes. The Group, founded 50 years ago, operates across Europe and has its registered office in Grünwald near Munich. Taking revenue and risk aspects into account, around 340 employees help achieve stable yields on a sustainable basis (as at 31/12/2017).



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