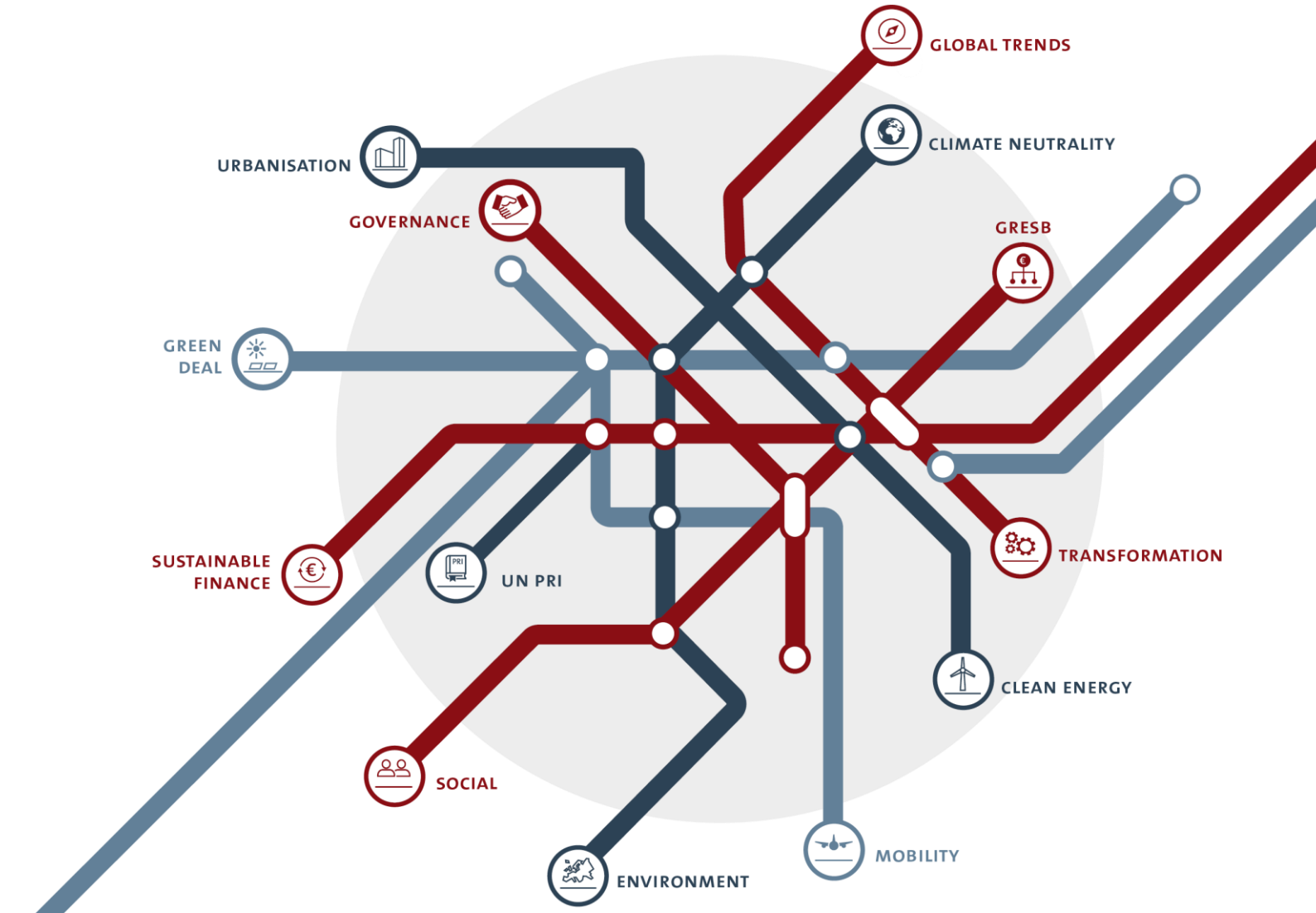
KGAL Investment Management GmbH & Co. KG

RESPONSIBLE INVESTMENT POLICY FOR REAL ESTATE

KGAL IM GmbH & Co. KG
Tölzer Straße 15
82031 Grünwald / Munich
Germany

September 2026



SUSTAINABILITY STRATEGY OF THE KGAL GROUP

In 2010, the KGAL Group adopted a mission statement that recognizes environmental protection as a strategic objective. KGAL aims not only to offer sustainable products to investors, but also to play an active and sustainable role in society. To underscore this commitment, KGAL signed the United Nations Principles for Responsible Investment (UN PRI) in September 2018. Sustainability considerations are therefore an integral part of KGAL's business and risk strategy. Our investment strategy takes account of megatrends such as urbanization, clean energy, mobility and urban infrastructure while applying environmental, social and governance (ESG) criteria, and is continuously adapted to new requirements.

THE CONTRIBUTION OF OUR REAL ESTATE ASSETS TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

In 2015, the UN Member States adopted the 17 Sustainable Development Goals (SDGs). The SDGs form the core of the 2030 Agenda for socially, environmentally and economically sustainable development. Through our KGAL real estate funds, we aim to contribute to the following four SDGs:



This is made possible by our holistic approach, as we consider sustainability at every stage of the process. From acquisition through the holding period to disinvestment ESG is a fundamental component of KGAL real estate investments.

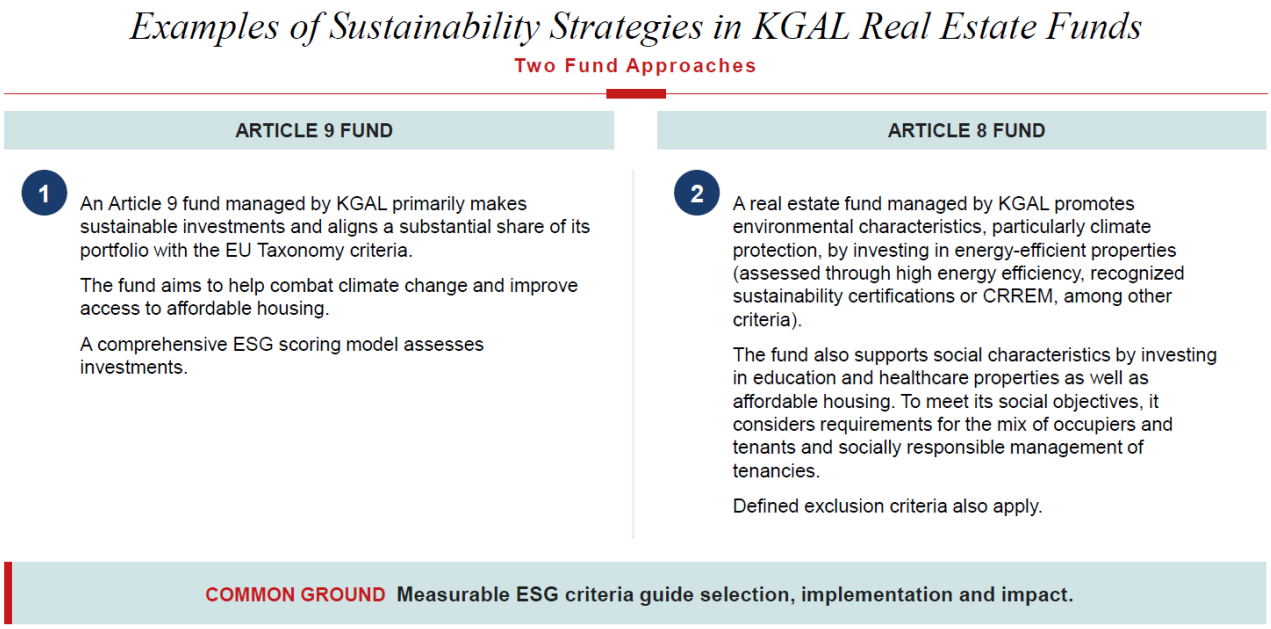
SUSTAINABILITY STRATEGY FOR REAL ESTATE

In line with the objectives of the Paris Agreement and the German Federal Climate Change Act, the KGAL climate strategy sets the goal of reducing to net zero by 2045 those emissions directly associated with investments held by the investment funds we manage (Scope 3). The building sector accounts for approximately 40% of energy consumption and 36% of greenhouse gas emissions in the European Union (European Commission 2020*). Against this backdrop, the importance of sustainability for the real estate asset class is indisputable.

**Source: European Commission: In focus: Energy efficiency in buildings, https://commission.europa.eu/news-and-media/news/focus-energy-efficiency-buildings-2020-02-17_en*

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90% of KGAL's institutional real estate funds are classified as Article 8 or 9 under the SFDR and have a dedicated ESG fund strategy aligned with European and local regulatory requirements (as of 09/2026). This supports both compliance with legal requirements and the preservation of building value. The ESG fund strategies are defined jointly with investors in order to balance fiduciary responsibility, economic feasibility and sustainability objectives.



As a general principle, we apply the following sustainability principles to all KGAL real estate assets:

Digitalization & Sustainability

KGAL Real Estate creates the conditions for data-based and transparent sustainability management by collecting, consolidating and assuring the quality of ESG and technical building data. Digital interfaces to buildings, energy management systems and smart-metering solutions are used to make relevant consumption and operating data available efficiently. Sustainability-related information and supporting documents, such as energy performance certificates and green building certifications, are managed centrally. This creates a robust data foundation for informed decisions and for meeting regulatory and client-related sustainability reporting requirements.

Sustainability Reporting for Investors & Regulators

KGAL ensures transparent, regulation-compliant and investor-oriented ESG reporting where agreed and appropriate. This is based on the ongoing, data-driven management of ESG fund portfolios, taking into account the respective ESG strategy and regulatory requirements. KGAL can therefore provide investors with transparent reporting on a voluntary basis which, depending on relevance, includes the assessment of transition and physical sustainability risks, disclosure of the adverse impacts of investment decisions on sustain-

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ability factors (Principal Adverse Impacts, PAI), and the provision of relevant ESG data through established industry standards.

Reporting includes fund- and asset-specific ESG key performance indicators, energy and emissions data (Scopes 1 to 3), energy efficiency indicators and, where taxonomy objectives have been agreed, taxonomy-related information as far as it is relevant to the respective fund strategy. Because the funds have different ESG objectives, the reporting is supplemented by sustainability indicators that are material to each fund, ensuring information is tailored to investors, supervisory authorities and other stakeholders.

Decarbonization Strategy and Data-Based Portfolio Management

For our KGAL real estate assets, we aim to support the decarbonization of fund portfolios through data-based management and the active integration of sustainability considerations into investment and management decisions. ESG criteria are systematically assessed alongside financial indicators such as property values, rental income and fund returns.

The foundation consists of scenario analyses at asset and portfolio level, which provide transparency regarding energy consumption, greenhouse gas emissions, and transition and physical climate risks. The quality of the underlying ESG data, CRREM misalignment analyses, and the effects of planned measures on emissions reductions and energy efficiency are also assessed. The findings support informed investment decisions, the prioritization of decarbonization measures, and the assessment of their economic effectiveness.

The decarbonization strategy is supported by medium- and long-term targets and also serves as a basis for meeting regulatory reporting requirements. The objective is to reduce greenhouse gas emissions in the fund portfolios step by step and align them with the long-term goal of climate neutrality by no later than 2045.

CONSIDERATION OF ESG ASPECTS IN THE INVESTMENT AND ASSET MANAGEMENT PROCESS

Our Investment and Asset Management teams consistently consider sustainability when managing assets.

During the investment phase, properties undergo a standardized, systematic ESG risk due diligence process as well as detailed technical ESG due diligence. KGAL considers the following sustainability risks to be fundamentally relevant to the fund for every property we acquire (examples; not an exhaustive list):

- the physical risk that weather-related disasters, such as hurricanes, storms or flooding, are highly likely to increase the relevant insurance costs and require remediation measures; and
- the transition risk if greenhouse gas emissions cannot be reduced to the required level.

This makes risks transparent and enables a strategic assessment of the property’s medium- to long-term development.

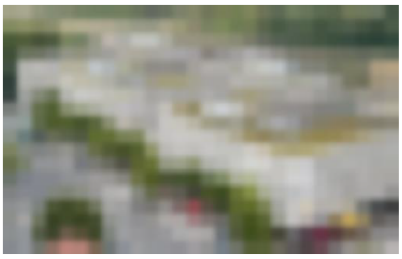
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During the asset holding period, the properties are progressively optimized in relation to environmental (E), social (S) and governance (G) aspects. Illustrative sustainability criteria include:

- Environmental (E): climate risk, energy consumption, CO_2 emissions, use of renewable energy
- Social (S): tenant satisfaction, accessibility
- Governance (G): green leases, building certification, smart metering

Case Study Transition to Green

German Office and Retail Property: Sustainable Operations & Energy Renovation

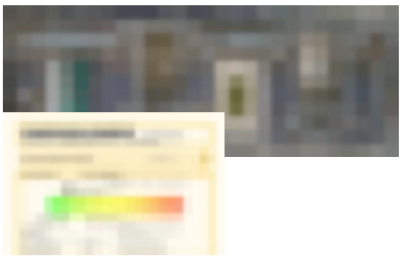


Before:

- Conventional building operations
- Manual meter readings and consumption data collection
- Incomplete building management system integration
- Energy inefficiencies
- Semi-public underground car park with 24/7 lighting

→ **Consumption-based energy performance certificate: Class G**

Office & Retail, Germany	
Location	Anonymized
Year built	2010s
Area	Approx. 20,000 sqm (office: approx. 11,000 sqm, retail: approx. 2,500 sqm, other: approx. 6,000 sqm) Approx. 40 rental units



After:

- PV installation: 18% of common-area electricity generated on site (on-site PPA)
- 100% renewable electricity: in owner-controlled areas
- Energy-efficient lighting: 25% energy savings through LEDs in the underground car park & stairwells
- Energy monitoring system: smart monitoring of energy flows and intelligent controls to reduce energy consumption
- Smart metering: automated collection of consumption data
- Building certification: DGNB Buildings in Use & Climate Action Roadmap
- Green leases: agreements signed for 51% of total lettable area

→ **Demand-based energy performance certificate: Class A**

The individual ESG performance of each asset is regularly monitored and reviewed. The results are analyzed and assessed, and continuous improvements are pursued on that basis, including:

- Installation of photovoltaic systems
- Operational energy optimization
- Replacement of fossil-fuel heating systems with district heating, heat pumps or biomass

Properties are assessed in the Carbon Risk Real Estate Monitor (CRREM) for greenhouse gas intensity (Scopes 1, 2 and 3) against 1.5°C and 2°C decarbonization pathways. CRREM is one of the leading initiatives for the operational decarbonization of real estate. Using decarbonization target pathways, it makes the decarbonization of properties measurable and shows the extent to which a property or real estate portfolio is aligned with climate objectives.
The physical climate risks of the properties are assessed annually using Munich Re's Location Risk Intelligence tool. The results of the climate risk analysis are explained in annual reports and inform the risk assessment.

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Regular ESG reporting monitors compliance with ESG criteria and the strategy-consistent implementation of ESG fund strategies through a transparent and structured process. This forms the basis for the funds' business reporting and for investor communications, for example through ESG reporting standards such as:

- European ESG Template (EET)
- German Association of Alternative Investments ESG Template (BAI ESG Template)

This reporting is provided accordingly.

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