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real estate advisors

Environmental **S**ocial **G**overnance **Policy**

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TABLE OF CONTENTS

A. Introduction

In an ever-changing and increasingly complex world, it is crucial for companies to promote and implement sustainable practices. This ESG (Environmental, Social, Governance) Policy of BLUE Real Estate Advisors GmbH (hereinafter referred to as "**BLUE")** reflects our commitment to acting responsibly and having a positive impact on the environment, society and our corporate governance.

BLUE is an investment and asset manager that takes on management tasks for real estate in Germany and the DACH region (Germany, Austria, Switzerland). With extensive expertise and a high level of operational and technical real estate competence and experience, the core competence and main area of action lies in active asset management.

This policy serves as a guide for our efforts to integrate sustainability into all aspects of our business. It defines clear goals and measures to minimize our environmental impact, promote the well-being of our tenants, service providers, employees, and other partners and communities, and ensure the highest standards of corporate governance while meeting our customers' requirements.

BLUE is committed to achieving the financial targets set and to defining and implementing high ESG requirements in the implementation of these goals. In addition to the protection of ESG values themselves, the background is to stabilize the targeted returns by ensuring the highest possible resilience to increasing regulatory requirements, increasing operating costs, meeting the expectations of tenants and possible future buyers. ESG issues are central to investment and asset management decision-making. Our goal is to continuously improve the sustainability quality of our activities and products.

By implementing this ESG policy, we strive not only to meet the needs of our customers, employees and all other business partners, but also to make a significant contribution to a sustainable future.

B. Environmental - Environment

I. Energy efficiency

1. Objective

BLUE's goal is to continuously reduce energy consumption in the real estate portfolios managed by BLUE and to maximize the use of renewable energy. This not only helps reduce operating costs, but also reduces our environmental footprint and supports global climate goals.

In concrete terms, this means:

- Implementation of energy management systems to reduce energy consumption.
- Conducting regular energy audits to identify and implement potential savings.

In summary, with this policy, BLUE undertakes to design its asset management services in such a way that the ESG performance of the assets under management is higher when they are sold than when they are acquired. This principle already applies in the purchase process and must always be taken into account in the context of asset management activities and especially in connection with construction measures and other investments. On the basis of the basic principles of this ESG Policy, the measures described in this policy are integrated into asset management individually or as a whole in order to achieve continuous improvement in ESG performance, insofar as this appears sensible in view of the individual specifics of the properties and weighing up all possibilities and covered by the will of the owner. In the case of construction and major renovation measures, sustainability characteristics are to be defined and integrated into all phases of development at an early stage, depending on the type and purpose of the measure and on the basis of comprehensible economic considerations.

2. Strategies and measures

a) Energy management systems

- Implementation of energy management systems (EMS) in all buildings to monitor, analyze and optimize energy consumption.
- Regular implementation of energy audits in order to identify and implement potential savings.

b) Energy-efficient technologies

- Use of energy-efficient lighting systems, such as LED lights, in all buildings.

- Installation of intelligent heating, ventilation, and air conditioning (HVAC) systems that minimize energy consumption through on-demand control.

c) Renewable energies

- Use of at least 50% renewable energy in all real estate portfolios by 2050.

- Installation of solar systems and other renewable energy sources on suitable buildings.

- Promoting partnerships with energy suppliers to increase the share of renewable energy in the energy mix.

d) Building optimisation

- Implementation of modernization measures to improve the building envelope, including insulation and window replacement to minimize energy loss.

- Use of energy-efficient elevators and escalators.

e) Awareness Raising and Training

- Regular training for employees and tenants to raise awareness of energy-efficient behavior and promote best practices.

- Providing information materials and resources to raise awareness of energy savings.

f) Monitoring and reporting

- Regular monitoring and reporting of energy consumption and savings achieved.

- Disclosure of energy efficiency measures and results in the annual sustainability reports.

II. Renewable energies

1. Objective

Our goal is to significantly increase the share of renewable energy in our real estate portfolios in order to reduce our environmental footprint and contribute to the global energy transition. This includes the use of solar energy, wind energy and other renewable energy sources. The implementation is checked individually for the locations in question, underpinned with data, presented to

the customer with the underlying relevant information for decision, the implementation is carried out with specialists and efficient operation including data collection and documentation is subsequently ensured.

In concrete terms, this means:

- Continuously increase the share of renewable energy use in all real estate portfolios by 2050.

- Installation of solar systems and other renewable energy sources on suitable buildings.

2. Strategies and measures

a) Solar energy

- Photovoltaic systems: where suitable and economically viable, installation of photovoltaic systems on the roofs and facades of suitable buildings in order to cover part of the energy demand with solar power.

- Solar thermal energy: where suitable and economically viable, use of solar thermal systems to heat water and support heating systems.

b) Wind power

- Small wind turbines: where suitable and economically viable, installation of small wind turbines on suitable land in order to generate additional electricity from wind energy.

- Partnerships: where suitable and economically viable, work with wind farm operators to increase the purchase of wind energy and conclude long-term supply contracts.

c) Geothermal energy

- Geothermal energy utilisation: where suitable and economically sensible Implementation of geothermal systems for the use of geothermal energy for heating and cooling buildings.

- Deep geothermal energy: Investigation of the possibilities for the use of deep geothermal energy in suitable regions.

d) Biomass

- Biomass heating systems: where suitable and economically sensible Use of biomass heating systems in suitable buildings in order to use renewable energy from organic materials.

- Biogas: where suitable and economically viable, use of biogas from waste and residues for energy generation.

e) Energy storage

- Where suitable and economically viable, installation of battery storage systems to store excess energy from renewable sources and use it when needed.

- Grid stability: where suitable and economically viable, contribute to the stabilization of the power grid through intelligent energy storage solutions.

f) Funding and incentives

- Funding programmes: where available and sensible, use of state and regional support programmes to finance and support renewable energy projects.

- Incentives for tenants: Provide incentives for tenants who use renewable energy or invest in related technologies.

g) Education and awareness raising

- Training: Regular training for employees and tenants to raise awareness of the benefits and use of renewable energy.

- Information campaigns: Conducting information campaigns to raise awareness of renewable energy and its benefits.

III. Waste management

1. Objective

Our goal is to significantly reduce the amount of waste in our real estate portfolios and increase the recycling rate. By implementing effective waste management strategies, we contribute to the conservation of natural resources and minimize environmental impact.

In concrete terms, this means:

- Introduction of a comprehensive recycling program with the aim of continuously reducing the amount of waste.

- Promoting the reuse and recycling of building materials in renovation and construction projects.

2. Strategies and measures

a) Waste prevention

- Awareness-raising: Conducting training and information campaigns for employees and tenants to raise awareness of waste prevention.

- Sustainable procurement: Promoting the sourcing of products with minimal packaging and a long lifespan.

b) Recycling and reuse

- Recycling programmes: where appropriate and economically viable, introduce comprehensive recycling programmes in all buildings that promote the separation and recycling of paper, plastic, glass and metal.

- Reuse: where appropriate and economically viable, establish platforms and initiatives to reuse materials and products to reduce the amount of waste.

c) Organic waste

- Composting: where appropriate and economically viable, implementing organic waste composting programs to convert it into valuable compost for landscaping and gardening.

- Biogas production: where suitable and economically viable, use of organic waste for biogas production to generate renewable energy.

d) Construction and demolition waste

- Sustainable construction: Promoting construction practices that minimize waste, such as the use of prefabricated components and modular construction methods.

- Construction waste recycling: Working with specialized companies to recycle and reuse construction and demolition waste.

e) Hazardous waste

- Safe disposal: Ensuring the proper disposal of hazardous waste in accordance with legal regulations and environmental standards.

- Reduction of hazardous substances: Minimising the use of hazardous substances through the use of environmentally friendly alternatives.

f) Monitoring and reporting

- Data collection: Regularly collect and analyze waste data to monitor progress and identify opportunities for improvement.

- Transparent reporting: Disclosure of waste management measures and results in the annual sustainability reports.

IV. Water

1. Objective

Our goal is to significantly reduce water consumption in our real estate portfolios and maximize the efficiency of water use. This contributes to the conservation of water resources and supports our company's sustainability goals.

In concrete terms, this means:

- Implementing water-saving measures to reduce water consumption.
- Use of rainwater collection systems and water-efficient equipment, if necessary use of the collected rainwater on site, for example for irrigation of outdoor facilities.

2. Strategies and measures

a) Water-efficient technologies

- Water-saving faucets: Installation of water-saving faucets such as flow restrictors, water-efficient shower heads, and toilets with low water consumption.
- Smart irrigation systems: where suitable and economically viable, use of smart irrigation systems that optimize water consumption based on weather conditions and soil moisture.

b) Rainwater harvesting

- Collection systems: where suitable and economically viable, implementation of rainwater collection systems for the use of rainwater for irrigation of green areas and toilet flushing.
- Green roofs: where suitable and economically viable, installation of green roofs that retain rainwater and promote evaporation to reduce water requirements.

c) Greywater use

- Greywater recycling: where suitable and economically viable, implementation of systems for the treatment and reuse of greywater from

washbasins, showers and washing machines for toilet flushing and irrigation.

- Pilot projects: where suitable and economically viable, conduct pilot projects on greywater use in selected buildings to assess feasibility and efficiency.

d) Leak detection and repair

- Leakage monitoring: where suitable and economically viable, use of sensors and monitoring systems for the early detection of leaks in water pipes and systems.

- Fast repairs: Implement a fast and efficient repair system to minimize water loss due to leaks.

e) Awareness Raising and Training

- Training: Regular training for employees and tenants to raise awareness of water-saving measures and behaviors.

- Information campaigns: Conducting information campaigns to raise awareness of the importance of saving water.

f) Monitoring and reporting

- Data collection: Regularly collect and analyze water data to monitor progress and identify opportunities for improvement.

- Transparent reporting: Disclosure of water management measures and results in the annual sustainability reports.

C. Social - Soziales

I. Employee development

1. Objective

Our goal is to create a work environment that promotes the continuous development and well-being of our employees. We strive to increase employee satisfaction and productivity through targeted training and development programs, an inclusive corporate culture, and comprehensive health and safety measures.

In concrete terms, this means:

- Provide annual training and development programs to all employees.

- Promoting an inclusive and diverse work environment through targeted recruitment and development measures.

2. Strategies and measures

a) Training and development programs

- Regular training: Providing regular training and development programs that are tailored to the individual needs and career goals of our employees.

- Leadership Development: Special leadership development programs to identify and nurture future leadership talent.

- E-learning platforms: Leveraging e-learning platforms to provide employees with access to a variety of courses and learning resources.

b) Inclusive corporate culture

- Diversity and inclusion: Fostering an inclusive culture that values diversity and ensures equal opportunities for all employees.

- Employee networks: Supporting employee networks and groups that are committed to diversity and inclusion.

- Awareness-raising: Conducting awareness campaigns and training on topics such as unconscious bias and cultural competence.

c) Health and safety

- Workplace safety: Implementing strict health and safety standards to ensure a safe working environment and minimize workplace accidents.

- Health programs: Providing health programs that promote physical and mental well-being, such as fitness programs, stress management classes, and health checks.

- Ergonomic workplaces: Design ergonomic workplaces to reduce health problems and increase the well-being of employees.

d) Work-life balance

- Flexible working hours: Introduction of flexible working time models that allow employees to better balance work and private life.

- Work-from-home options: Providing work-from-home options to provide employees with more flexibility and autonomy.

- Family-friendly measures: Support for family-friendly measures, such as parental leave, childcare services and support in caring for relatives.

e) Employee Engagement

- Feedback culture: Fostering an open feedback culture where employees can regularly contribute their opinions and suggestions.

- Employee surveys: Conducting regular employee surveys to measure employee satisfaction and engagement and derive improvement measures.

- Recognition and reward: Implementing recognition and reward systems to recognize outstanding achievement and commitment.

II. Health and safety

1. Objective

Our goal is to ensure a safe and healthy working environment for all employees. We strive to promote the well-being of our employees and minimize workplace accidents through strict health and safety standards, regular training and comprehensive prevention measures.

In concrete terms, this means:

- Implementation of strict health and safety standards.
- Regular training and emergency drills for all employees.

2. Strategies and measures

a) Health and safety standard

- Implementing standards: Establishing and adhering to health and safety standards that meet regulatory requirements and industry best practices.

- Regular reviews: Conducting regular reviews and audits of workplaces to ensure standards are being met.

b) Training and awareness raising

- Regular training: Providing regular training for all employees on topics such as occupational safety, emergency measures and ergonomic working.

- Awareness campaigns: Conducting awareness campaigns to raise awareness of health and safety risks and promote preventive measures.

c) Emergency Management

- Contingency Plans: Develop and implement comprehensive contingency plans that provide clear instructions for various emergency scenarios.

- Emergency drills: Conduct emergency drills regularly to prepare employees for emergencies and verify the effectiveness of emergency plans.

d) Health promotion

- Health programs: Providing health programs that promote physical and mental well-being, such as fitness programs, stress management classes, and health checks.

- Preventive measures: Implementation of preventive measures to reduce work-related health risks, such as ergonomic workplace design and regular breaks.

e) Monitoring and reporting

- Transparent reporting: Disclosure of health and safety measures and results in the annual sustainability reports.

III. Community Commitment

1. Objective

Our goal is to actively contribute to the development and strengthening of the communities in which we operate. Through targeted initiatives and partnerships, we aim to promote social well-being, support local projects and make a positive impact on society.

In concrete terms, this means:

- Promotion of community projects and social projects.
- Supporting local nonprofits and initiatives through donations and volunteering.

2. Strategies and measures

a) Local projects and partnerships

- Supporting local initiatives: Promoting and providing financial support to local projects and non-profit organisations that are committed to social, cultural and environmental issues.

- Partnerships with communities: Building long-term partnerships with local communities to jointly implement sustainable development projects.

b) Volunteering

- Employee engagement: Encouraging our employees to volunteer in community service projects and providing paid volunteer days.

- Company-wide volunteer programs: Organization of company-wide volunteer programs in which employees can participate in social projects together.

c) Education and Training Programs

- Educational initiatives: Supporting educational programs and institutions that benefit children and young people in disadvantaged communities.

- Vocational training: Providing training and development programs for local workers to improve their professional skills and increase their employment opportunities.

d) Health and welfare programs

- Health Promotion: Supporting health initiatives that improve access to medical care and health services in local communities.

- Social Support: Providing programs to support families and individuals in need, including food and clothing donations.

e) Environmental awareness and sustainability

- Environmental projects: Promoting environmental projects that support the protection and restoration of natural habitats.

- Sustainability Education: Conducting educational programs that increase awareness of environmental and sustainability issues in the community.

f) Monitoring and reporting

- Measuring success: Regularly reviewing and evaluating the impact of our community engagement initiatives to measure and continuously improve their effectiveness.

- Transparent reporting: Disclosure of our community engagement actions and results in the annual sustainability reports.

IV. Tenant satisfaction

1. Objective

Our goal is to ensure a high level of satisfaction and well-being among our tenants. We strive to meet and exceed the needs and expectations of our

tenants through excellent customer service, regular communication and the provision of high-quality services and facilities.

In concrete terms, this means:

- Conducting interviews and surveys on tenant satisfaction and implementing improvement measures based on the feedback.

- Where appropriate: Providing common spaces and services that promote the well-being of tenants.

2. Strategies and measures

a) Customer service

- Accessibility: Providing customer service to respond quickly and efficiently to tenants' concerns and needs. Fast response times for all concerns – staggered according to importance and urgency.

- Tenant portals: where it makes sense in terms of building type Introduction of digital tenant portals that provide tenants with easy access to information, services and communication channels.

b) Regular communication

- Tenant surveys: Conducting regular tenant surveys to collect feedback and measure tenant satisfaction. This can be done through one-on-one interviews or through standardized surveys.

- Information events: where appropriate for a majority of tenants of properties, organisation of information events and tenants' meetings in order to inform tenants about important topics and developments and to exchange ideas.

c) Maintenance and repair

- Proactive maintenance: Implement a proactive maintenance program and reliable and easily accessible documentation to ensure that all buildings and facilities are in perfect condition.

- Fast response times: Ensuring fast response times to maintenance and repair requests to ensure tenant satisfaction.

d) Quality services and facilities

- Community facilities: where for the specific buildings and economically viable provision of high-quality community facilities such as gyms, common areas and green spaces that promote the well-being of tenants.

- Sustainable solutions: Implement sustainable solutions such as energy-efficient lighting and water-saving measures to reduce the environmental footprint and lower operating costs.

e) Monitoring and reporting

- Satisfaction analyses: Regular analysis of tenant satisfaction and identification of potential for improvement.

- Transparent reporting: Disclosure of tenant satisfaction measures and results in the annual sustainability reports.

D. Governance - Corporate Governance

I. Transparency

1. Purpose

This policy aims to promote transparency within our organization and to ensure that all relevant information is communicated openly and honestly. Transparency is an essential part of our governance practices and helps build trust among our stakeholders.

2. Principles

a) Disclosure of Information

- We disclose all material information in a timely and accurate manner. This includes financial reports, company decisions, risks and opportunities.

- All reports and disclosures are prepared in accordance with applicable legal and regulatory requirements.

b) Communication

- We promote open communication within the organization and with external stakeholders.

- Regular updates and reports are provided through appropriate channels to ensure that all stakeholders are well informed.

c) Integrity and honesty

- All employees are required to maintain the highest integrity and honesty in the communication and disclosure of information.

- Unethical behavior, such as withholding material information or spreading false information, will not be tolerated.

d) Access to information

- We ensure that all stakeholders have easy access to relevant information.
- Internal processes are regularly reviewed to improve the efficiency and accessibility of information delivery.

e) Accountability

- Managers and employees are responsible for complying with this policy.
- Violations of this policy will be investigated and may result in disciplinary action.

II. Ethics and Compliance

1. Purpose

This policy aims to promote ethical behavior and compliance with all relevant laws and regulations within our organization. Ethics and compliance are central components of our governance practices and help to strengthen the trust of our stakeholders and all other business partners and employees and to ensure our long-term sustainability.

2. Principles

a) Ethical behaviour

- We are committed to the highest ethical standards in all our business activities.
- All employees are obliged to act honestly, fairly and respectfully.

b) Compliance with laws and regulations

- We comply with all applicable laws, regulations and internal guidelines.
- Regular training and education are conducted to ensure that all employees are aware of the relevant legal requirements.

c) Avoidance of conflicts of interest

- Employees must disclose and avoid potential conflicts of interest.
- Decisions are made in the best interest of the organization and its stakeholders.

d) Reporting of violations

- We foster a culture of openness where employees can report violations of this policy or other ethical concerns without fear of reprisals.

- A confidential reporting process is available to all employees. There is a whistleblower policy in place and the employees are informed about it and have a

e) Accountability and monitoring

- The following executives are responsible for complying with this policy:
    - Compliance Officer: Dr. Angela Geerling, Managing Director
    - Implementation ESG: Sophie Baden, Managing Director
- Regular reviews of the policy and strategies and measures are carried out to ensure compliance and enable continuous improvement.

III. Risk management

1. Purpose

This policy aims to promote effective risk management within our organization. Robust risk management is critical to identifying, assessing and managing potential threats and contributes to the long-term sustainability and stability of our organisation. In addition to this one, there are other policies and tools for risk management (risk manual, compliance management system, etc.). These policies complement each other.

2. Principles

a) Awareness

- BLUE fosters a culture of risk awareness at all levels of the organization.
- All employees are responsible for identifying and reporting potential risks in their respective areas.
- The Compliance Officer has a superordinate role, monitoring the issue as a whole and initiating and implementing concrete measures and ensuring the continuation and further development of the strategies.
- Compliance Officer: Dr. Angela Geerling, Managing Director

b) Risk assessment

- Risks are systematically identified, assessed and prioritized.
- We use recognised risk assessment methods and tools to ensure that all relevant risks are taken into account.

c) Risk management

- Appropriate risk management measures are developed and implemented to minimize or eliminate identified risks.

- We regularly monitor and review the effectiveness of our risk management measures.

d) Continuous monitoring

- Risks and risk management measures are continuously monitored and adjusted as necessary.

- Regular reports on the status of risk management are forwarded to management and relevant stakeholders.

e) Training and awareness

- Training and awareness programs to ensure that all employees are aware of the importance of risk management and their role in it.

- New hires are introduced to our risk management practices as part of their onboarding.

f) Accountability

- Managers and employees are responsible for complying with this policy.

- Violations of this policy will be investigated and may result in disciplinary action.

IV. Responsibility of the management

1. Purpose

This policy aims to clearly define the responsibilities of the management and to ensure that the management performs its duties in accordance with the highest standards of corporate governance. Strong and responsible leadership is crucial for the sustainable development and success of BLUE.

2. Principles

a) Fiduciary duties

- Management will act in the best interests of the organization and its stakeholders and employees.

- Decisions are made on the basis of comprehensive information and careful consideration.

b) Ethical behaviour

- Members of the management team must uphold the highest ethical standards and serve as role models for the entire organization.

- Conflicts of interest must be avoided and disclosed.

c) Transparency and Disclosure

- The management ensures transparency in decision-making processes and, where appropriate and expedient, regularly reports internally on its activities and decisions.

- Important information is disclosed promptly and accurately.

d) Risk management

- The management is responsible for monitoring and managing material risks. The Management Board appoints one of its members and/or a suitable employee as Compliance Manager. Compliance Manager of BLUE is Dr. Angela Geerling, Managing Director.

- Appropriate measures are taken to identify, assess and manage risks. This includes a risk management system; this is defined in detail in its own policy (Compliance Management System CMS) and in the Risk Manual.

e) Sustainability and social responsibility

- The management promotes sustainable business practices and takes into account the social and environmental impact of the company's decisions.

- ESG criteria are integrated into strategic planning and decision-making, as well as into compensation systems.

f) Training and development

- Members of the management take part in training and further education to expand their knowledge and skills.

- New members of the management board are comprehensively introduced to their tasks and responsibilities.

E. Policy review and update

This policy is reviewed regularly and updated as necessary to ensure that it meets current requirements and best practices.