



# ESG REPORT 2023

## NOTES FROM THE CEO



**Sascha Hettrich**  
CEO Vivion Investments S.à r.l.

### Dear Readers,

Corporate responsibility requires a concept of prudent management of the environment and nature, the principles of social responsibility, and the proper structure of decision-making. All this makes good governance essential for us and is a challenge in the continued development of the company.

Today, we are pleased to present to you the 2023 ESG Report with our commitment to sustainable and long-term corporate alignment.

Meeting the standards of good governance is supported by our long-standing involvement in industry associations.

Sustainable, ecological, and social action is indispensable for the future of our business activities. As an investor, owner, and operator of real estate, it is crucial for VIVION to find the best solutions together with our tenants as well as with our service provider. This is our core task and our primary responsibility.

The real estate sector has a significant share of global carbon emissions, and with this comes our responsibility to take all necessary measures to reduce CO<sub>2</sub> emissions. This calls for a completely new approach

to building utilisation, property management, and the technical equipment of buildings. This requires a re-thinking and re-education of our employees and is an ambitious goal for the industry as a whole and for every real estate owner in particular.

Since most of the buildings that will exist in 2050 already exist today, investments will be needed to meet future requirements. Tomorrow, risk factors for climate change resilience will need to be considered much more closely and included in the profitability analysis—and we are prepared for that.

VIVION will ensure that risk management is oriented towards the future so that both our real estate portfolio and new investments remain sustainable and thus viable.

We thank you for your interest in our commitment to a sustainable future and invite you to join us on the next steps in this journey.

**Sascha Hettrich FRICS**

*CEO VIVION Investments S.à r.l.*

*Date: 19 August 2025*

# ESG REPORT 2023

## CONTENTS

|   |           |  |           |
|---|-----------|--|-----------|
| <b>Notes from the CEO</b>   | <b>2</b>  | Energy and climate   | 43        |
| <b>Company information</b>  | <b>4</b>  | Energy demand & CO <sub>2</sub> in data                              | 45        |
| VIVION in numbers   | 5         | Maximising energy efficiency   | 49        |
| About VIVION  | 6         | Transition to renewable energy                                       | 50        |
| Introduction to our core values   | 7         | Circular economy   | 52        |
| Our strategic approach  | 8         | Waste management   | 53        |
| Portfolio   | 10        | Drinking water demand and wastewater generation                      | 55        |
| Highlights 2023   | 13        | Combating air pollution  | 57        |
| Organisational structure  | 15        | Supporting and promoting biodiversity                                | 58        |
| Engagement in associations and organisations                                      | 18        | Managing environmental impacts                                       | 59        |
| <b>Sustainability strategy</b>  | <b>19</b> | Mobility   | 60        |
| Methodology   | 20        | Sustainable locations  | 61        |
| Industry Environment & Trends   | 22        | <b>Social initiatives</b>  | <b>62</b> |
| ESG Committee   | 23        | Social responsibility  | 63        |
| Strategic approach  | 24        | Attractive employer  | 64        |
| Materiality Analysis  | 25        | Diversity & equal opportunity  | 66        |
| Stakeholders  | 27        | Tenant retention   | 67        |
| Influence and interest matrix   | 29        | <b>Governance initiatives</b>  | <b>69</b> |
| Stakeholder needs and forms of dialogue   | 30        | Governance   | 70        |
| Risk analysis   | 31        | Corporate governance & compliance                                    | 71        |
| Agenda 2030   | 35        | Sustainable procurement  | 77        |
| <b>VIVION in action</b>   | <b>37</b> | Innovations and technologies   | 80        |
| Key topics and main goals   | 38        | <b>Disclaimer &amp; Contact</b>                                      | <b>82</b> |
| <b>Environmental initiatives</b>  | <b>39</b> | Disclaimer   | 83        |
| Roadmap   | 40        | Contact  | 84        |
| Climate strategies for the future: paths to sustainability and climate neutrality | 41        | <b>Independent Limited Assurance Report</b><br>(Independent auditor) | <b>85</b> |





# COMPANY INFORMATION



# VIVION IN NUMBERS

## Key figures



The reported values are as at 31 December 2023.

\*Number of employees is based on the Asset Management Platform.



## ABOUT VIVION

Vivion Investments S.à r.l. (the "**Company**" or "**VIVION**" and together with its consolidated subsidiaries the "**Group**"), is a commercial real estate company, focusing on the ownership, management and improvement of properties mainly in Germany and the United Kingdom. Vivion's portfolio comprises a quality office real estate portfolio in Germany and a well-diversified predominantly 3–4 star hotel portfolio in the United Kingdom.

Vivion's German Portfolio consists of commercial assets predominantly located in top German cities with significant commercial activity, let to a variety of creditworthy tenants including government entities, while its UK Portfolio consists of predominantly branded hotels mainly located in the UK's largest cities. The diversified portfolio with long-term, inflation linked leases provide stable cashflows. The portfolio benefits from the strong expertise, reputation and network of its affiliated asset management platforms.





# INTRODUCTION TO OUR CORE VALUES

The foundation of our organisational conduct is anchored in a set of core values that guide our actions, decisions, and interactions. These core values represent our unwavering commitment to excellence and responsibility in all aspects of our operations. They

form the bedrock of our identity and are critical to maintaining the trust and respect of our clients, partners, and the communities we serve. Below, we articulate the values that underpin our professional conduct and inform our approach to business.

## ► INTEGRITY

Integrity is the cornerstone of our ethical framework. We are steadfastly committed to upholding the highest standards of honesty, transparency, and ethical behaviour in all our engagements. Our actions are consistently guided by a strong moral compass, ensuring that we adhere to principles of right and fairness, even in the face of adversity or complex situations.

## ► OBJECTIVITY

Objectivity is fundamental to our approach, ensuring that we assess each situation with impartiality and without bias. This commitment to objectivity allows us to provide well-reasoned, evidence-based advice and solutions to our clients. By maintaining independence and avoiding conflicts of interest, we ensure that our decisions are informed solely by factual and verifiable information.

## ► PROFESSIONAL COMPETENCE AND DUE CARE

We are dedicated to the continuous enhancement of our professional competence. This entails a commitment to lifelong learning, skill development, and staying at the forefront of industry knowledge and practices. Concurrently, we exercise care in all aspects of our work, ensuring that our services are delivered with meticulous attention to detail, precision, and an unwavering commitment to excellence.

## ► SUSTAINABILITY

We acknowledge our responsibility to contribute to sustainable development. Our commitment to sustainability is reflected in practices that prioritise environmental stewardship, social responsibility, and economic viability. We strive to create long-term value for our stakeholders while minimising our ecological footprint and promoting positive societal impacts.

## ► PROFESSIONAL BEHAVIOUR

Our conduct is governed by the highest standards of professionalism. We consistently demonstrate respect, fulfil our obligations, and adhere to the ethical codes and standards that regulate our profession. Professional behaviour extends beyond mere compliance; it involves setting a positive example and cultivating trust through consistent, principled actions.

## OUR STRATEGIC APPROACH



VIVION's strategy provides investors with the opportunity to invest in well-diversified dynamic property portfolios. These portfolios are meticulously curated to generate substantial cash flows and strong total returns, anchored in both income generation and capital appreciation. Our investment focus is strategically placed on inner-city office properties in Germany and hospitality assets in the UK, two of Europe's largest economies. We pursue a long-term approach to property investment with the aim of achieving steady value growth. Thanks to our continuous market analysis and a rigorous portfolio optimisation process, we are also able to respond to market opportunities identified in a timely manner. This flexible and dynamic approach to property investment is made possible by a management team that has extensive expertise in all aspects

of the value chain and efficient and processes and procedures across all teams.

We maintain flexibility in acquiring new assets, continually seeking properties that are accretive to our portfolio with potential for value appreciation through proactive asset management. Our transaction design and structuring flexibility allows us to expedite acquisitions and sales efficiently and purposefully. We take a prudent approach to financing, leveraging a mix of institutional investors for both debt and equity. Our moderate debt levels, consisting of long-term financing at predominantly fixed interest rates, result in a conservative loan-to-value (LTV) ratio. These measures are designed to uphold our liquidity requirements consistently





## TENANTS

We work closely with our tenants for mutual benefit, ensuring stable cash flows in the long term, enhancing rental income, and ensuring effective cost control. We aim to:

- Maximise rental income through long term inflation linked leases with high-quality tenants
- Carefully control capital expenditures and minimise non-recoverable expenses
- Utilise our asset management capabilities to create and enhance value
- Strong tenant satisfaction across the entire portfolio by balancing the interests of property users and the landlord



## INVESTMENT PERFORMANCE

Sustained investment performance requires constant vigilance throughout the lifecycle of every asset in the portfolio.

To achieve this, we:

- Take a strategic approach to investments aimed at long term stable cash flows while enhancing value by managing assets to core
- Continuously monitor portfolio composition and asset investment cycles
- Employ real-time reporting and portfolio control, facilitated by our collective management expertise
- Add value through active asset management, leasing activities and property management



## ASSET SELECTION

Our approach to asset selection is rooted in a disciplined acquisition strategy with strong and clear investment criteria. Executing this strategy is enabled by our collective capability in deal sourcing:

- We have developed an acquisition process that combines thorough diligence with efficiency and quick decision making in place
- Comprehensive research enables successful execution of a high proportion of our pipeline
- Our primary focus is on Europe's strongest markets, with a concentration on Germany, while also pursuing opportunistic acquisitions in the UK, that are accretive to our existing portfolio



## CAPITAL STRUCTURE

VIVION's capital structure is robust and prudent:

- We maintain conservative levels of LTV and sufficient liquidity buffers
- We have access to different types of debt. Our debt financing is provided by a diversified group of both local and international debt providers.
- The equity portion of our capital structure benefits from international finance and institutional investors, including CDPQ, Harel Insurance Company Ltd and Phoenix Insurance Company Ltd

## PORTFOLIO

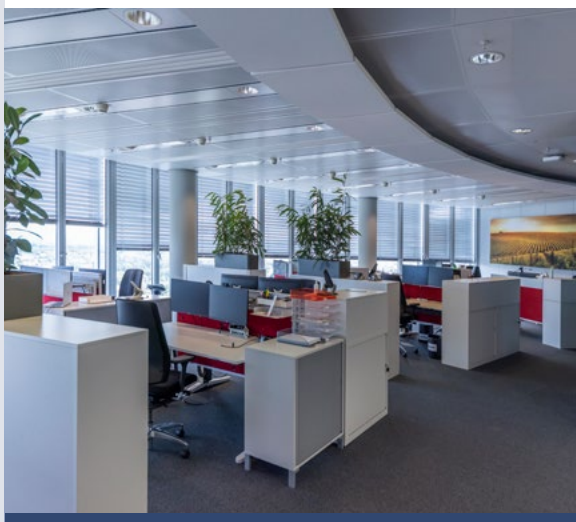
Located in two of Europe's strongest economies, our portfolio offers long-term stable income with potential for value generation through proactive management. Focused primarily on office and hotel assets, our company leverages its expertise to build strong relation-

ships with tenants, actively manage properties to reduce vacancy rates, extend lease terms, and enhance rental income. This approach aims to increase overall portfolio value while ensuring stable and secure inflation-linked income streams.



### OFFICES

The Office portfolio is predominantly located in top German cities with significant commercial activity, including Tier 1 locations Berlin, Dusseldorf, Cologne and Frankfurt. The German portfolio is 89% leased, leaving the company with room for asset management activities to deliver future rental growth. The portfolio benefits from a highly diversified tenant base comprising of a healthy mix of governmental entities, large corporation and "blue chip" tenants.



### HOTELS

The hotel portfolio is located across the United Kingdom, with nearly half of the properties in Greater London. The portfolio comprises over 53 hotels that offer almost 8,500 rooms that are branded by many well-known hotel brands including Hilton, Holiday Inn, Crown Plaza and Best Western. The portfolio is long-term leased with an average remaining lease term of 11.8 years, and the fact that it is 100% leased (with no operational risk to VIVION) and 100% inflation-linked leases.





## Portfolio summary

as of 31 December 2023

|   | Total        | UK    | Germany |
|---|--------------|-------|---------|
| <b>Fair value</b> (in € mn)               | <b>3,603</b> | 2,064 | 1,539   |
| <b>Total portfolio value</b> (%)          | <b>100</b>   | 57    | 43      |
| <b>Annualized in-place Rent</b> (in € mn) | <b>218</b>   | 141   | 77      |
| <b>WAULT</b> (in years)                   | <b>9.7</b>   | 11.8  | 5.5     |
| <b>Property Occupancy Rate</b> (%)        | <b>95</b>    | 100   | 89      |
| <b>Rental yield</b> (%)                   | <b>5.8</b>   | 6.8   | 4.5     |
| <b>Number of properties</b>               | <b>98</b>    | 53    | 45      |

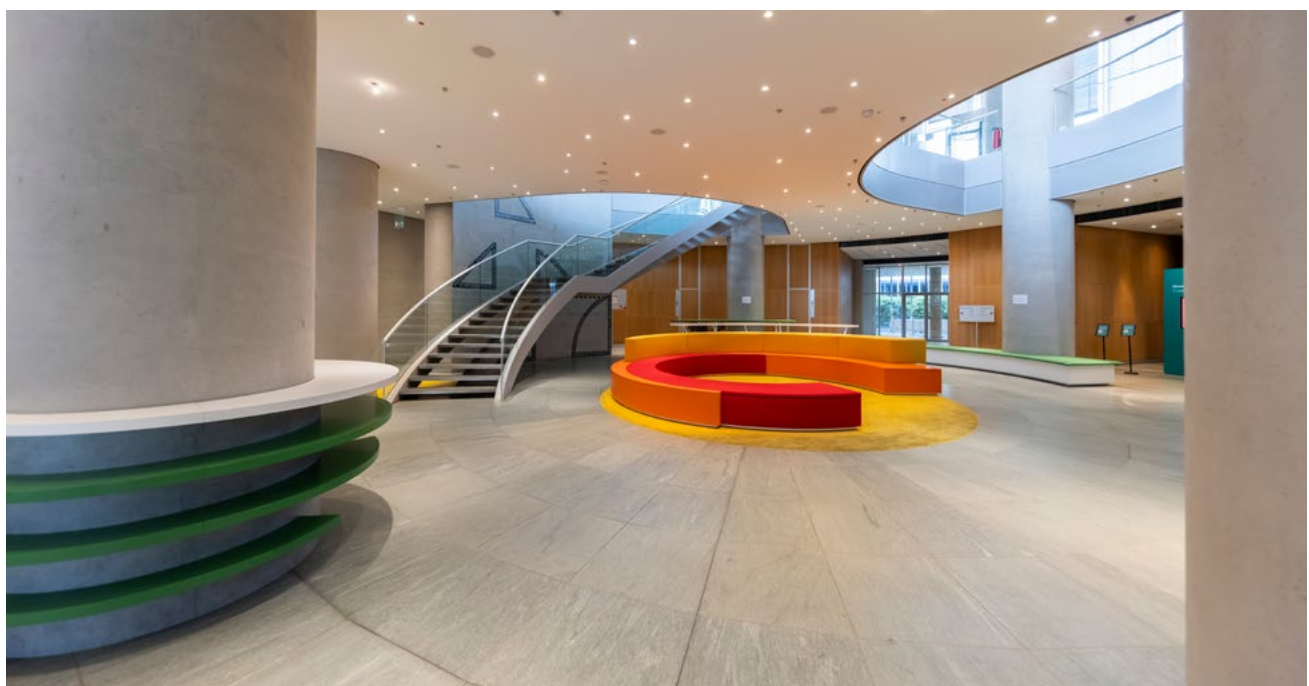
## Asset class breakdown

|   | Total        | Hotel | Office | Other |
|---|--------------|-------|--------|-------|
| <b>Fair value</b> (in € mn)               | <b>3,603</b> | 2,272 | 1,276  | 55    |
| <b>Total portfolio value</b> (%)          | <b>100</b>   | 63    | 35     | 2     |
| <b>Annualized in-place Rent</b> (in € mn) | <b>218</b>   | 146   | 65     | 6.8   |
| <b>WAULT</b> (in years)                   | <b>9.7</b>   | 11.9  | 4.8    | 2.5   |
| <b>Property Occupancy Rate</b> (%)        | <b>95</b>    | 100   | 88     | 83    |
| <b>Rental yield</b> (%)                   | <b>5.8</b>   | 6.4   | 4.8    | 5.4   |
| <b>Number of properties</b>               | <b>98</b>    | 59    | 32     | 7     |

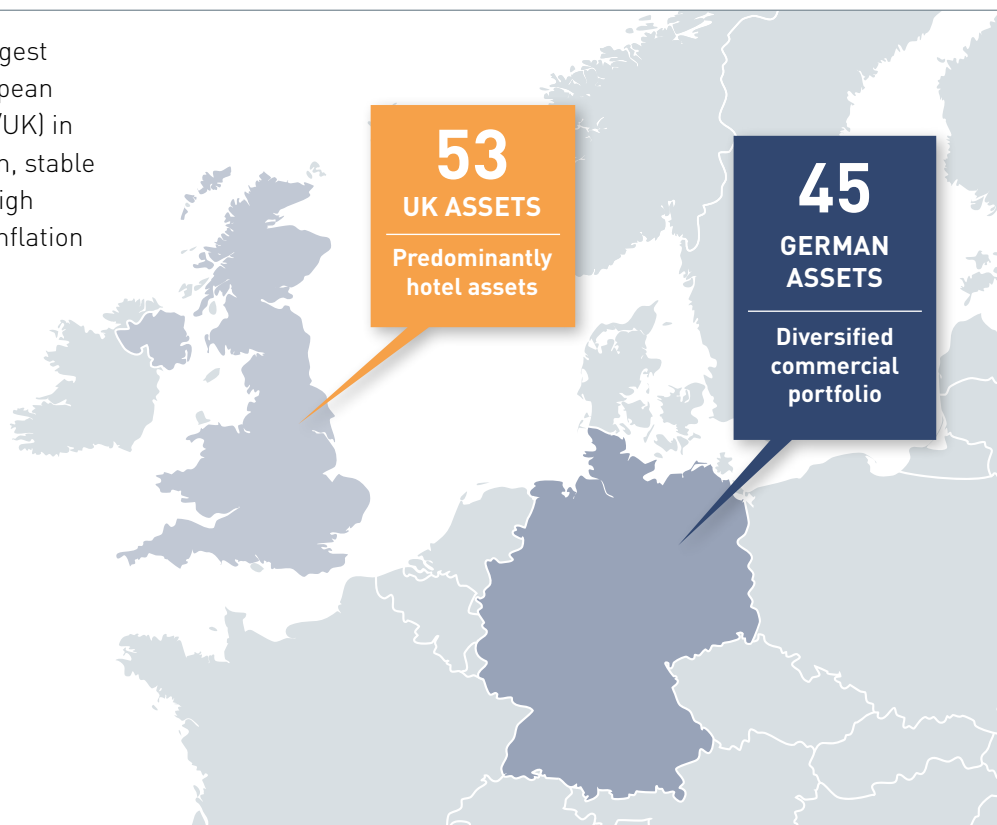
Note: For Mixed-Use properties, the predominant form of use by NLA has been used to determine the category.

Excluding assets held for sale. Annualized in-place Rent includes assets held for sale. Germany includes assets held in other EU-jurisdictions that comprise <2.5% of total GAV.

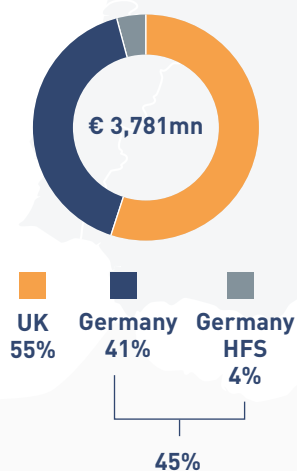
The reported values are as at 31 December 2023.



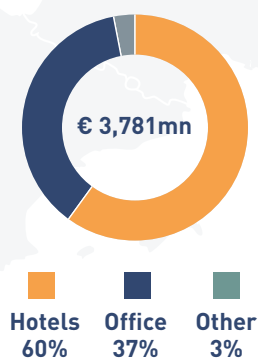
Investing in the strongest & most durable European economies (Germany/UK) in assets with long-term, stable cash flow leased to high quality tenants with inflation protection



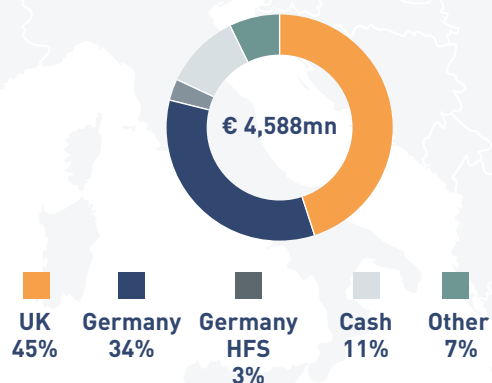
GEOGRAPHIC SPLIT



ASSET CLASS SPLIT



TOTAL ASSETS SPLIT



## Selected Property KPIs



ANNUALISED  
IN-PLACE RENT

€ 218mn



NUMBER OF  
ASSETS

98



PROPERTY  
OCCUPANCY RATE

95%



WAULT

9.7 years

Note: Germany includes assets held in other EU jurisdictions that comprise <2.5% of total GAV.  
Selected Property KPIs exclude assets held for sale. Annualized in-place rent includes assets held for sale.  
The reported values are as at 31 December 2023.



# HIGHLIGHTS 2023

Specific properties highlighted within the UK and German portfolios, number of rooms, and tenants.

## Highlights 2023 UK Portfolio

### St. Martin's Lane Hotel

**City:**

London

**Number of rooms:**

204



### Sanderson Hotel

**City:**

London

**Number of rooms:**

150



### Holiday Inn Regent's Park

**City:**

London

**Number of rooms:**

339



### Crowne Plaza London Heathrow

**City:**

London

**Number of rooms:**

465



### Holiday Inn London Heathrow M4/J4

**City:**

London

**Number of rooms:**

615



### Holiday Inn Brent Cross

**City:**

London

**Number of rooms:**

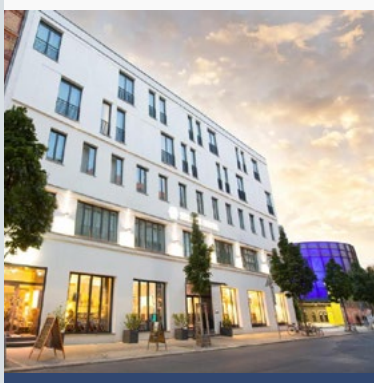
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## Highlights 2023 German Portfolio

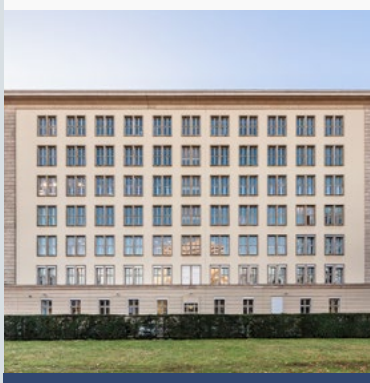
### Hotel The Wall Check Point Charlie

**City:**  
Berlin  
**Number of rooms:**  
170  
**Top tenant:**  
Novum Hotels



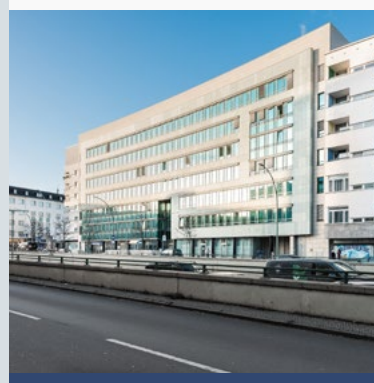
### Potsdamer Straße 188-192

**City:**  
Berlin  
**LFA (m²):**  
22,574  
**Top tenant:**  
Otto Group



### Bundesallee 39-41a

**City:**  
Berlin  
**LFA (m²):**  
9,021  
**Top tenants:**  
Drees & Sommer SE,  
Charité



### Quartier Heidestraße ("Core")

**City:**  
Berlin  
**LFA (m²):**  
31,230  
**Top tenants:**  
50 HertzTransmission  
GmbH, REWE Markt GmbH



### Karl-Liebknecht-Straße Alexanderplatz

**City:**  
Berlin  
**LFA (m²):**  
7,793  
**Top tenant:**  
Bundesanstalt für  
Immobilienaufgaben (BImA)



### Potsdamer Straße 182

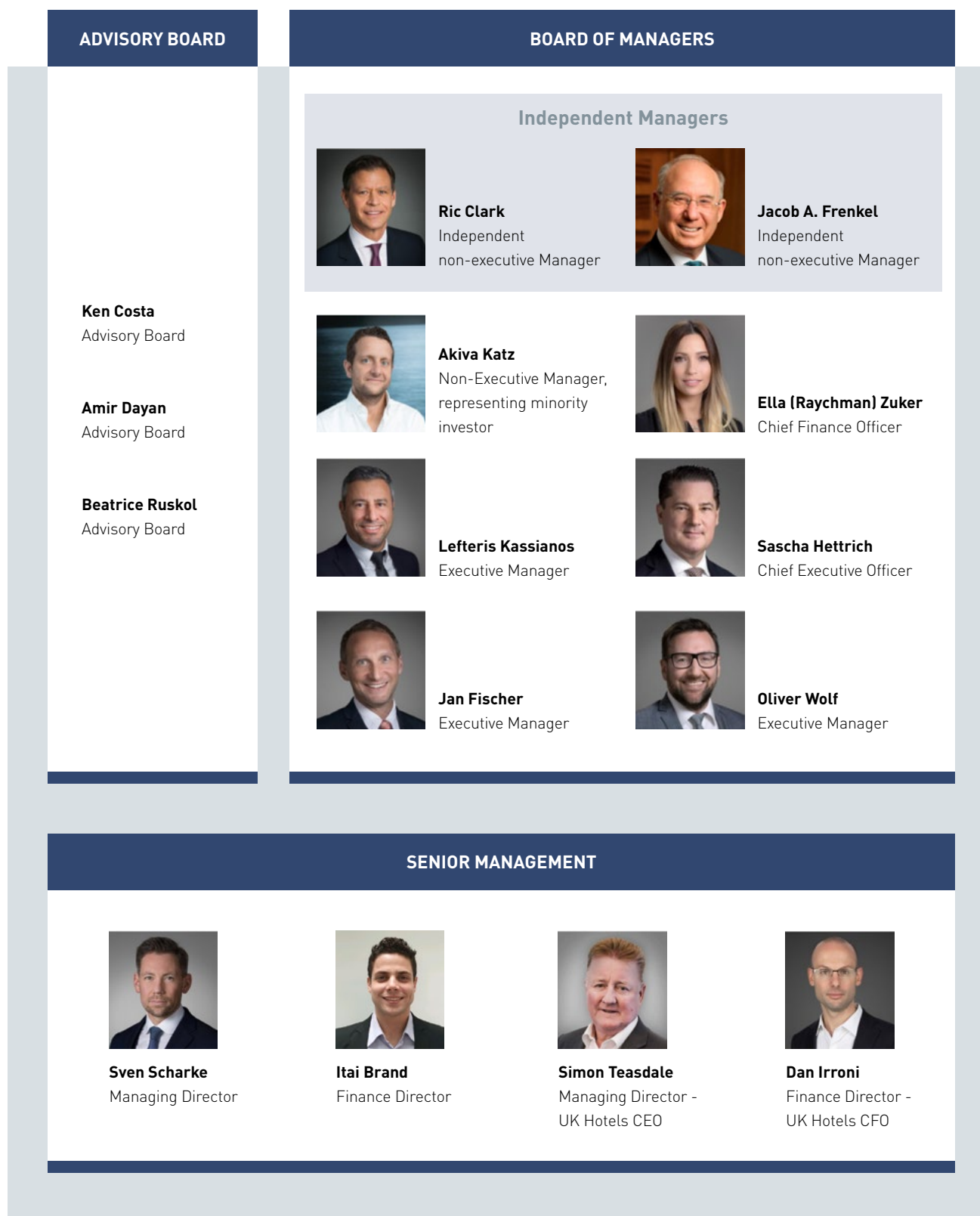
**City:**  
Berlin  
**LFA (m²):**  
18,440  
**Top tenants:**  
GTE Berlin (Berlin School  
of Business), ALDI



# ORGANISATIONAL STRUCTURE

Our experienced senior leadership team, which includes our Board of Managers, Advisory Board, and the wider senior management team, collectively brings two

decades of relevant experience on average. This expertise spans public and private real estate companies as well as international investment firms.



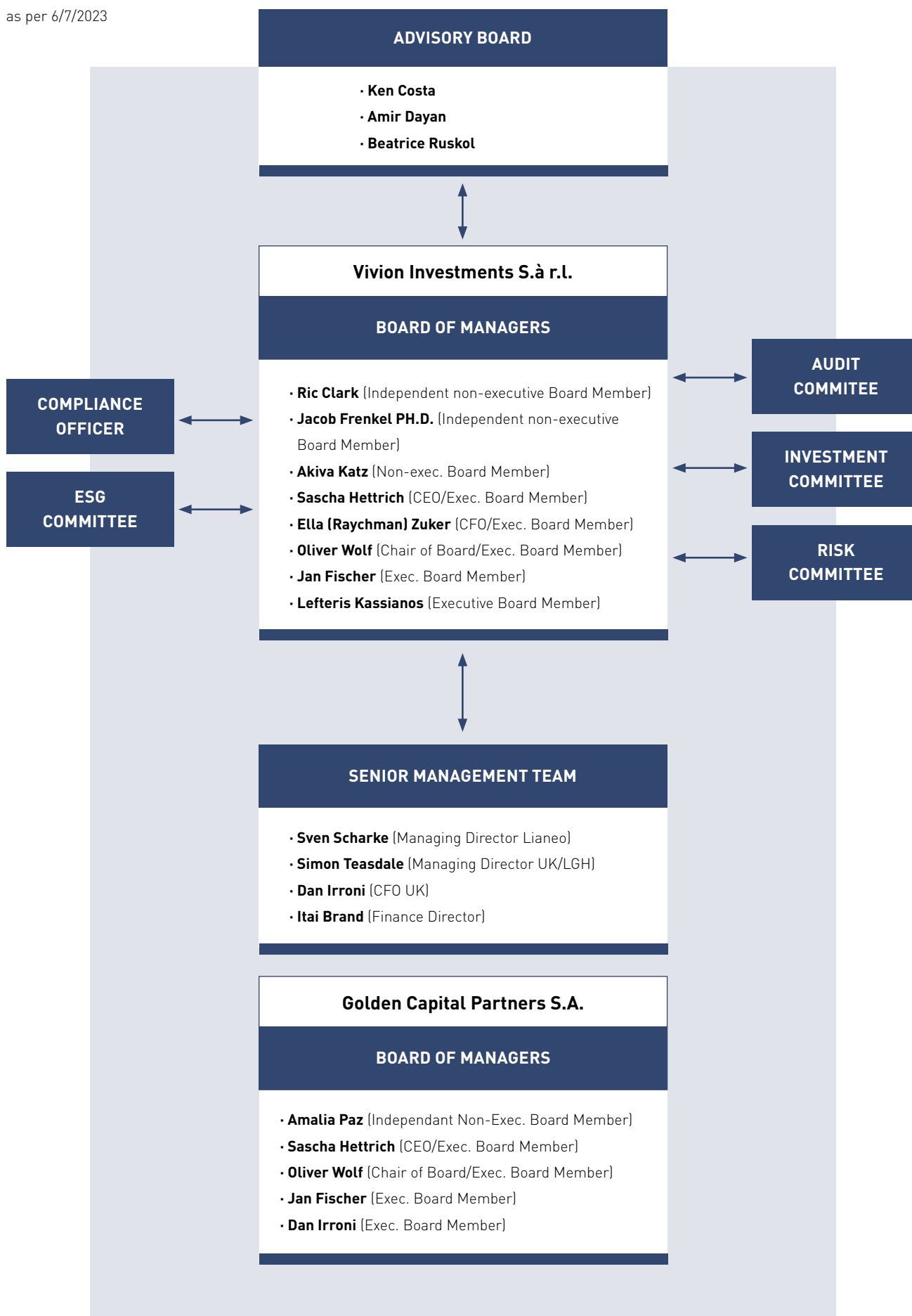




In 2023, the VIVION Group is led by the Board of Managers, which holds comprehensive responsibility. This board guides and manages the group, considering its strategic direction and objectives. Currently, the Board comprises eight members. The Board establishes the business policy guidelines. The management team holds overall responsibility for guiding and ensuring adherence to sustainability concerns. Responsibility for implementing ESG initiatives lies with the manage-

ment team and the department heads of the relevant specialised departments. The sustainability strategy and goals are regularly reviewed and adjusted to remain up-to-date, with appropriate measures defined for achieving these objectives. Sustainability issues, particularly those aligned with the strategic direction, are consistently addressed at the senior management level, ensuring they are integrated into our broader organisational priorities.

\*Board structure  
as per 6/7/2023



# ENGAGEMENT IN ASSOCIATIONS AND ORGANISATIONS

VIVION's active involvement in industry associations, interest groups, and organisations plays a vital role in our business strategy. In today's increasingly complex and dynamic market environment, these memberships provide us with access to current industry insights, facilitate the exchange of best practices, and support the professional development of our employees. Moreover, they strengthen our industry networks and offer a platform for collaborative partnerships and joint problem-solving in the face of regulatory and political challenges. Through active participation in these organisations, VIVION enhances its competitiveness, fosters innovation, and upholds a responsible position within the real estate industry.

VIVION is actively engaged with the following organisations:

## **RICS**

The Royal Institution of Chartered Surveyors (RICS) is an internationally recognised professional body that sets standards and qualifications for professionals in the real estate and construction sectors. This enables us to adhere to the highest professional standards and qualifications, thereby ensuring quality and trustworthiness within the industry. RICS supports our staff's professional development through continuous training and qualification opportunities. Furthermore, RICS promotes transparency and accountability by enforcing stringent ethical guidelines. The international recognition of RICS membership not only facilitates access to global markets but also enhances networking on an international scale. In addition, RICS advocates for its members' interests with policymakers and plays a significant role in developing and implementing relevant industry standards and guidelines. This involvement contributes to the professionalisation of the real estate industry and safeguards the interests of both professionals and the public.

## **GAA Stadt Berlin**

The participation in the 'Special Valuer Committee' (Gutachterausschuss für Grundstückswerte in Berlin) is a prominent base podium for land values in the city of Berlin that promotes networking and collaboration among professionals in real estate, as well as giving guidance in urban development of the city. By collaborating within this committee of the city we gain opportunities to exchange the latest market information and learn about best practices. Member of the GAA is an official body for preparing market information (by land values) for the City of Berlin, the authorities and the real estate professions.

## **ICG**

The Institute of Corporate Governance (Institut für Corporate Governance in der deutschen Immobilienwirtschaft e.V.) is a leading organisation dedicated to promoting and guiding exemplary corporate governance practices. In the real estate sector, ICG assists companies in establishing effective and transparent decision-making processes, managing risks, and ensuring compliance with legal and regulatory requirements. To date the good governance guiding access to comprehensive training and up to date information on all governance topics, along with a network of professionals who share best practices within various working groups. This association enhances investor and stakeholder confidence, improves organisational efficiency, and supports company's long-term sustainability and reputation. In a market environment that increasingly values transparency and ethical business practices, collaboration with ICG offers a distinct competitive advantage.





# SUSTAINABILITY STRATEGY

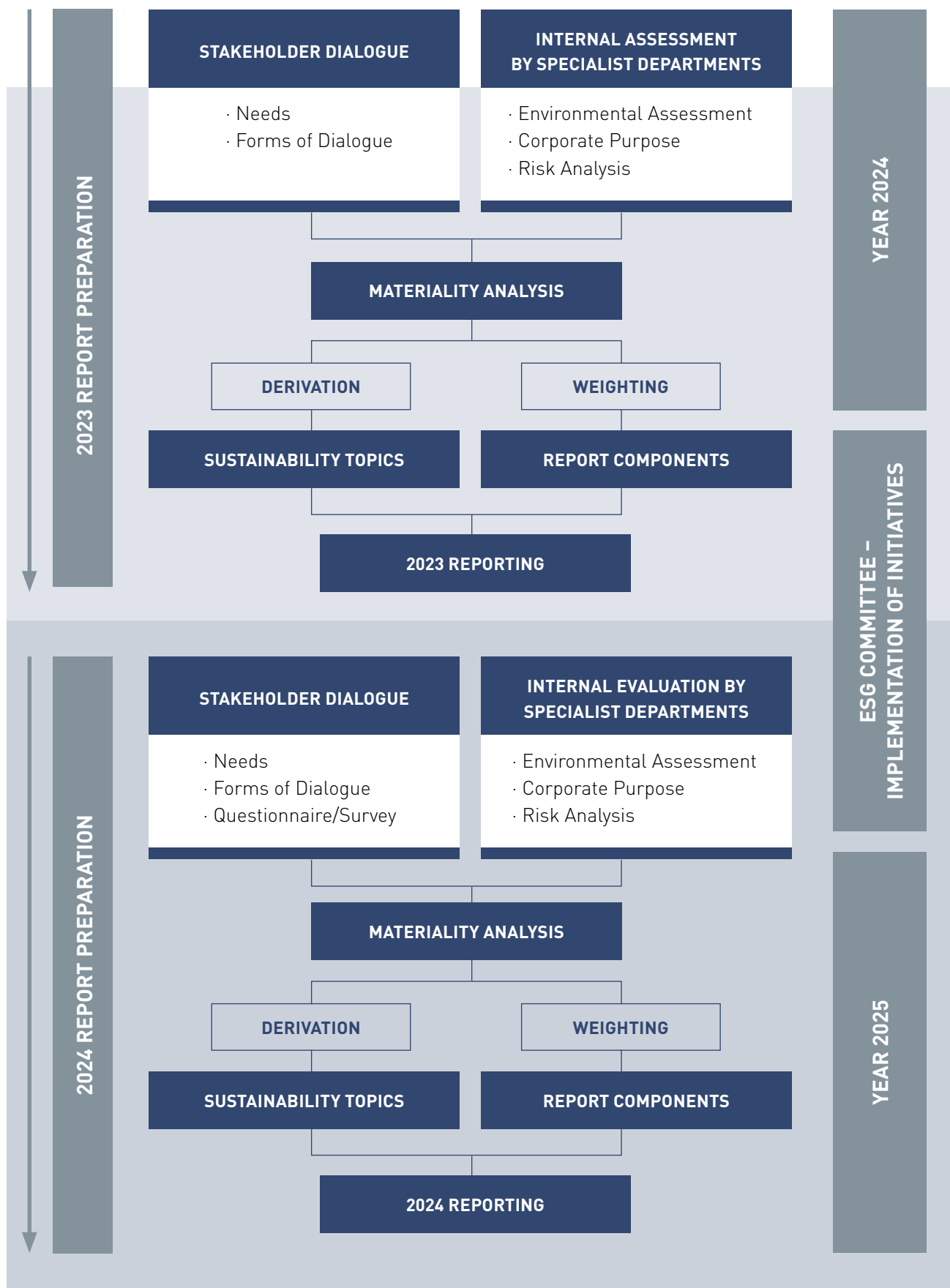
## METHODOLOGY

To fully embrace our responsibility towards society and the environment, we systematically engage with social and ecological developments. We categorize the topics that are essential to our business activities and reporting, and we continuously assess and evaluate challenges and opportunities for sustainable development using various tools.

To determine the key areas of action, we consulted external experts, reviewed our business orientation, conducted a stakeholder analysis, and carried out a risk analysis. Naturally, we also kept a close eye on current political and social developments and examined the sustainability aspects that are being addressed by the industry as a whole.



## Illustration of the methodological approach





## INDUSTRY ENVIRONMENT & TRENDS

The real estate industry is influenced by the general economic and political climate. As a result of these conditions, the real estate market has experienced a stagnation since the end of 2022, reaching its lowest point in the past decade in 2023. Industry players have become extremely cautious with investment and leasing activities, and investors and shareholders are similarly apprehensive. However, the real estate sector has the opportunity to extricate itself and develop new, stable perspectives by focusing on solid business models characterized by credibility, sustainability, and reliability.

### Germany

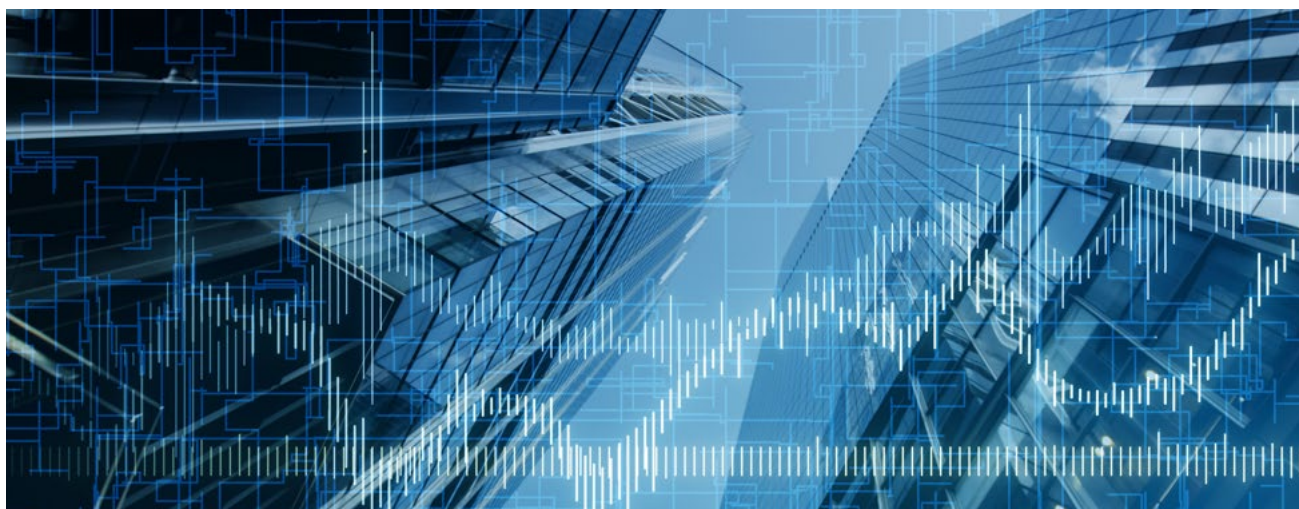
In 2023, the German real estate market remains relatively stable despite several challenges. The increased construction costs and interest rates have impacted the profitability of new projects. The war in Ukraine has led to a rise in energy prices. In Germany, Environmental, Social, and Governance (ESG) criteria are becoming increasingly important in investment decisions. New laws and regulations, such as the Building Energy Act (GEG), impose stricter requirements on the energy efficiency of buildings. A growing trend toward sustainable buildings and investments in renewable energy for real estate projects is evident, with further tightening of these developments expected. Global supply chain disruptions have led to delays and cost increases in construction projects. In particular, building materials have become more expensive and harder to obtain, leading to a trend towards localizing supply chains to reduce dependencies on global

markets. The use of Artificial Intelligence (AI) in the real estate industry (PropTech) is also increasing. This includes pre-automated valuation models, intelligent building management systems, and enhanced data analytics for decision-making. AI-driven systems are being increasingly deployed in buildings to optimize energy efficiency and tenant comfort.

### United Kingdom

In 2023, the real estate market in the United Kingdom presents mixed signals. While certain segments such as hotels, residential and logistics remain strong, retail properties and office spaces are struggling with ongoing uncertainty and changing work habits. The rising energy prices, exacerbated by the war in Ukraine, have also increased operational costs for properties, and geopolitical uncertainties have led to a more cautious approach to investments. The aftermath of Brexit continues to affect the investment climate in the United Kingdom. Regulatory uncertainties and changing trade conditions present ongoing challenges. The construction industry is facing a labor shortage, partly due to Brexit, resulting in higher construction costs and project delays.

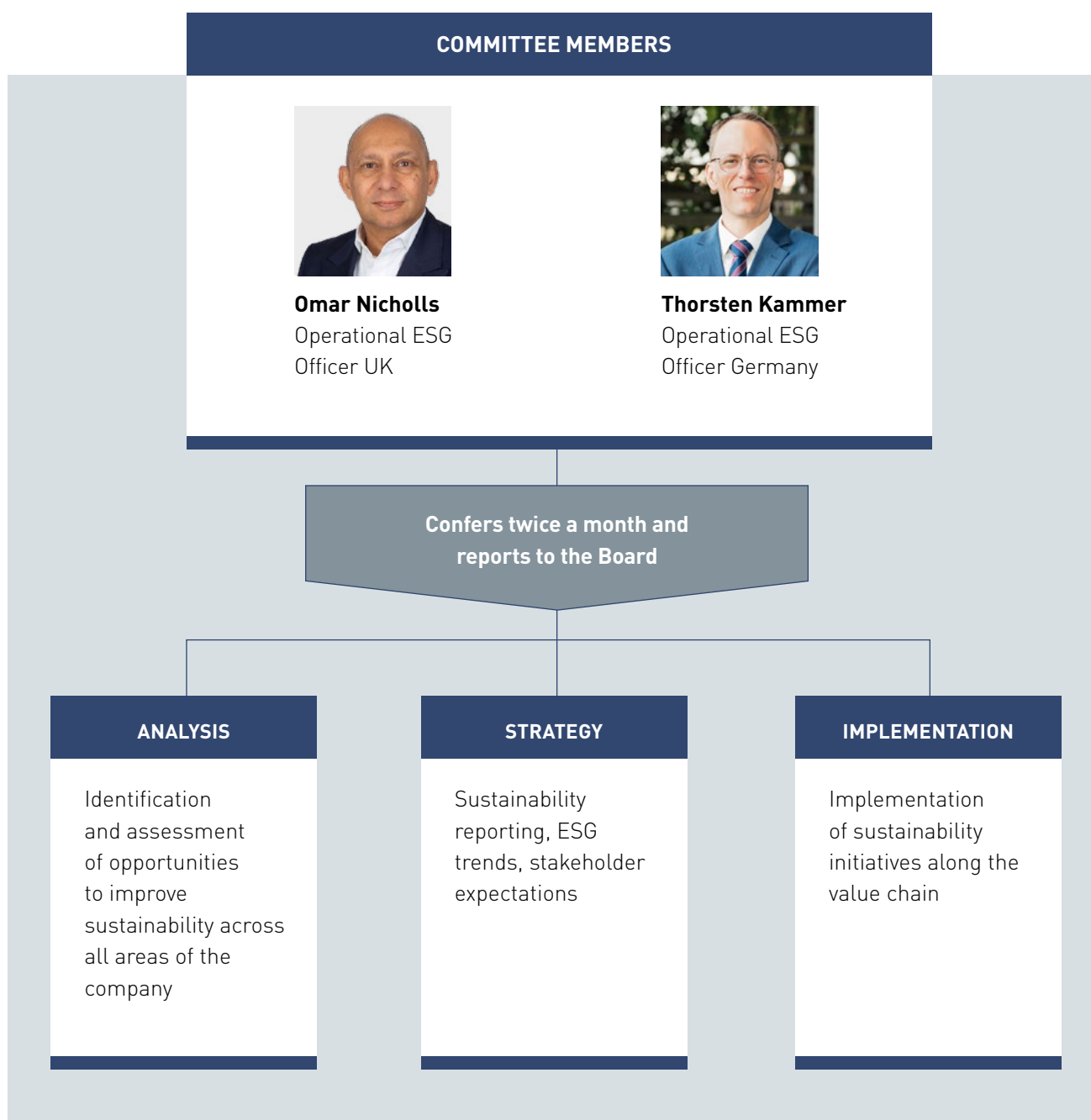
The UK and Germany have set ambitious targets to achieve net-zero emissions, which forces the industry to adopt more sustainable practices. This includes strict requirements for energy efficiency and the introduction of technologies to reduce the carbon footprint of buildings.



## ESG COMMITTEE

In recognition of the high relevance of the topic, we established an ESG Committee in 2021, which meets regularly. This internal working group, consisting of two employees, is tasked with supporting the Board of Managers and Senior Management in the implementation of the ESG strategy. This involves presenting and explaining specific frameworks, obligations, and

industry standards. In addition, the members of the ESG Committee assist all operational departments in integrating and implementing the concept of sustainability into daily work practices. The focus here is primarily on developing value-enhancing single-asset strategies under the guiding principle of sustainability.



# STRATEGIC APPROACH

## Vision

VIVION aspires to be a leading company in the real estate industry, contributing to the creation of an environmentally friendly, socially responsible, and economically stable future through innovative and sustainable practices. Our vision is to minimize the ecological footprint of our properties through energy-efficient construction methods, responsible resource utilization, and strong community partnerships, while simultaneously enhancing the well-being of our tenants and the broader community. By 2030, we aim to become a zero-carbon emissions business (Scope 1 & 2).

## Mission

Our mission is to create long-term value for our tenants, investors, and communities through innovative and sustainable real estate solutions. We are committed to minimizing the ecological footprint of our

buildings through responsible construction practices and the application of state-of-the-art technologies. By adhering to high standards in energy efficiency and resource conservation, we actively contribute to environmental protection.

At the same time, we promote the well-being of our tenants and employees by creating healthy, safe, and inclusive living and working environments. We prioritize transparency, integrity, and ethical conduct in all our business activities to gain and maintain the trust of our stakeholders.

Through strong partnerships and active engagement in the communities where we operate, we aim to exert a positive social and economic impact. VIVION is committed to consistently upholding the highest standards in Environmental, Social, and Governance (ESG) practices and to exploring innovative ways to develop sustainable and future-oriented real estate solutions.







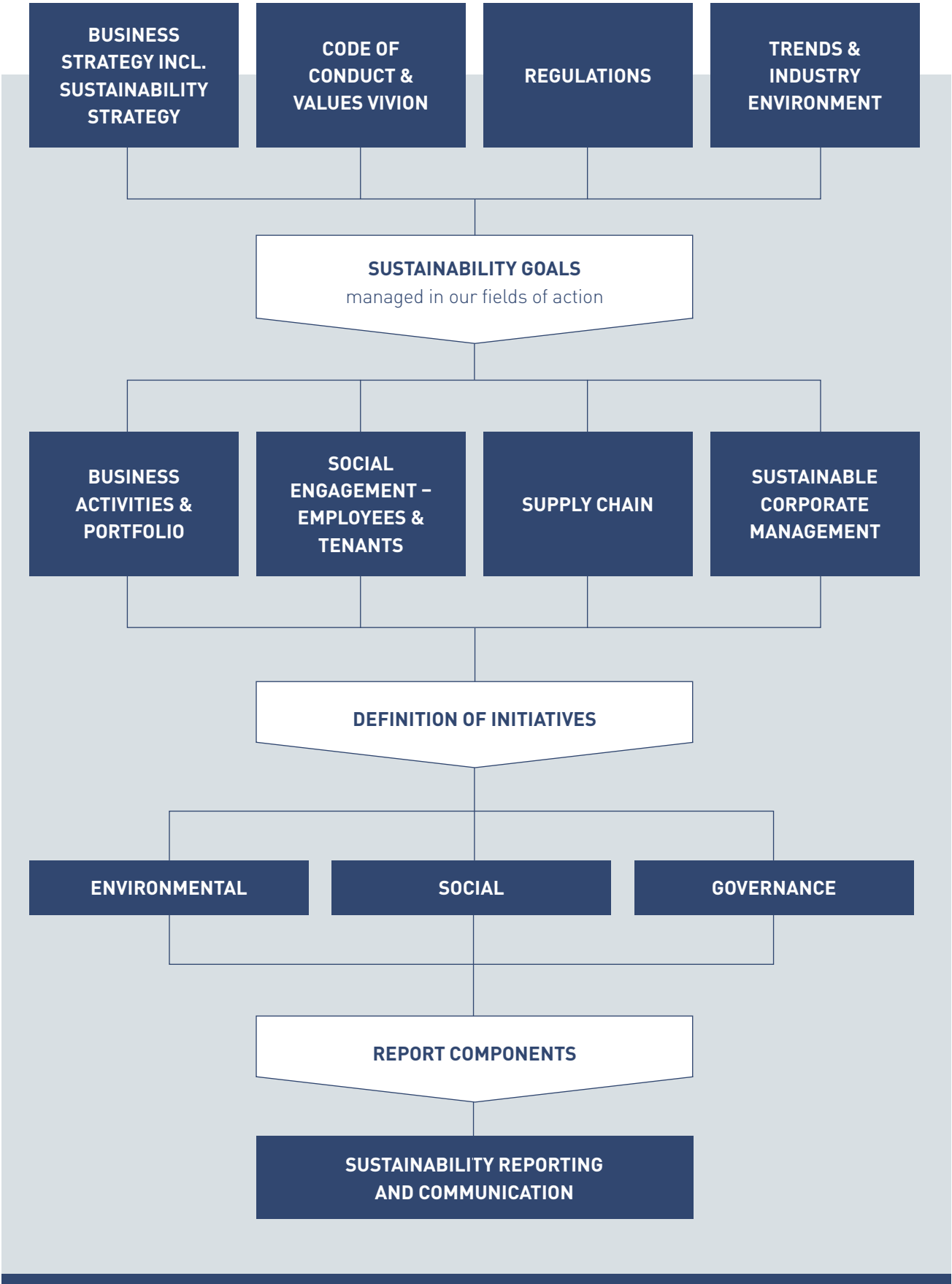
## MATERIALITY ANALYSIS

In everything we do, we adhere to high standards—both in the quality of our work and in our corporate governance. Specifically, this means that we consider the integration of ESG as a critical success factor. We visualize our sustainability strategy with a house, whose foundation is composed of our core values.

Built upon this foundation are the four strategic pillars: products, HR management, social responsibility, and sustainable good governance. Adherence to these core values is indispensable for the credibility of the four strategic pillars as well as crucial for the reputation of the VIVION Group. Through these core values, the Group is committed to exemplary conduct in environmental matters, employee relations, societal responsibility, and diligent corporate governance. In our daily operations, we focus on the efficient use of resources, social considerations, and compliance with regulatory requirements. Our sustainability activities align with applicable laws and regulations, including government initiatives to promote renewable energy, increase energy efficiency, support programs for environmentally friendly practices, and strengthen fundamental and human rights, particularly within the

supply chain. Moreover, we adhere to various governmental and supranational norms and standards, such as the UN Global Compact, the Sustainable Development Goals (SDGs), the EU Green Deal, and the EU Taxonomy.

To ensure the achievement of our ESG objectives, we have implemented effective processes that are overseen by our internal ESG Committee. In regular meetings, the ESG Committee provides updates on regulatory changes, new technologies, and their potential for our portfolio. These are also key expectations of our stakeholders: Our shareholders and partners are increasingly interested in sustainability-oriented products and solutions. They demand transparent and reliable information that allows them to understand and track the sustainability contributions along the value chain. Furthermore, investors are placing greater emphasis on the sustainability of their capital investments and are expanding their evaluation of companies to include criteria from the areas of Environmental, Social, and Governance (ESG).

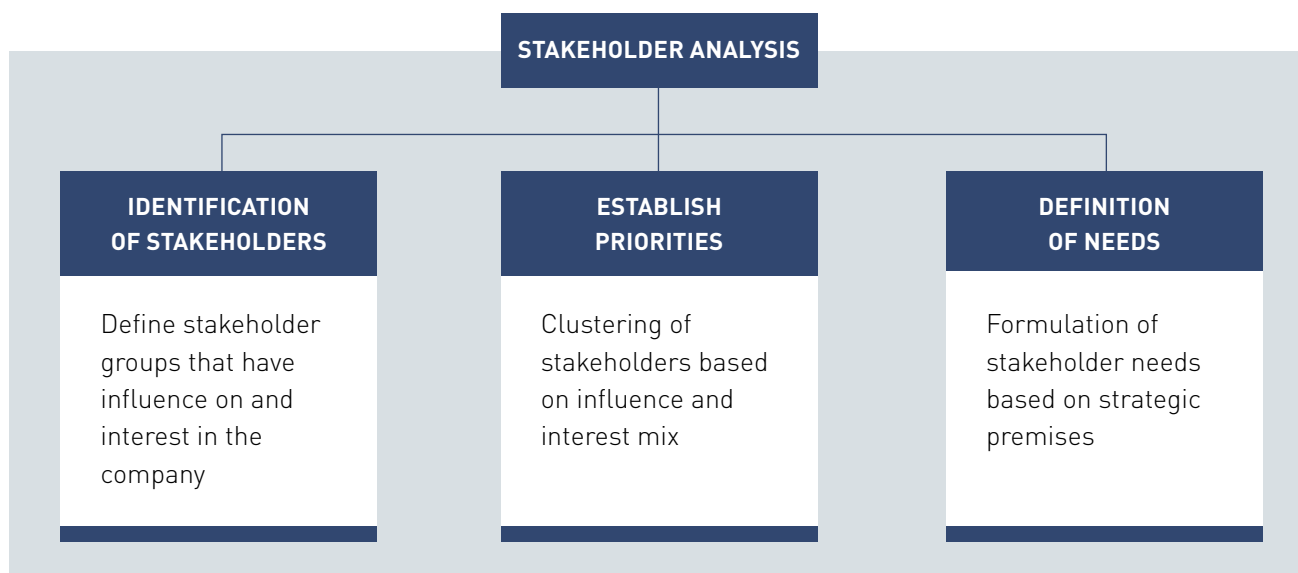


# STAKEHOLDERS

As a company, we exert influence on various facets of society. The fulfillment of our social and environmental responsibilities, as well as the long-term economic success of VIVION, are rooted in successful collaborations with diverse stakeholders and in treating their concerns with the utmost respect. Therefore, maintaining regular dialogue with both internal and external stakeholders, and actively involving them in our business activities, is of paramount importance to us. Effective communication is indispensable for fostering a lasting relationship of trust between the company

and its stakeholders, which is, in turn, a fundamental prerequisite for sustained business success. This approach is a key pillar in the realization of our sustainability objectives.

To accurately determine the needs of our stakeholders, we have identified their essential requirements through an internal materiality analysis within this report. Additionally, we have established mechanisms for dialogue that will enable us to engage with them in more detailed and active exchanges in the future.





## VIVION's Stakeholders



### SHAREHOLDERS AND INVESTORS

Both private and institutional investors provide the necessary capital for our projects and, in return, expect a reasonable return on their investments. Their trust and support enable us to pursue strategic goals and realize innovative projects.



### TENANTS

Our tenants are the main source of our revenue. Their satisfaction and long-term commitment to our properties are of utmost importance for the financial stability and success of our company. We place great emphasis on meeting their needs and building a trustful relationship with them.



### BUSINESS PARTNERS

Collaboration with our business partners, including financial institutions, construction companies, architects, real estate agents and brokers etc. is of great importance. These partnerships expand our expertise and resources, allowing us to execute projects efficiently and with high quality. The synergies resulting from these collaborations significantly contribute to the success of our projects.



### ASSOCIATIONS AND ORGANISATIONS

Membership and active participation in industry-specific associations and organisations, such as real estate associations and chambers of commerce, are of great importance to our company. These organisations offer valuable networking opportunities, continuous education, and set standards and guidelines that help us continuously improve and stay up-to-date with industry developments.



### SUBCONTRACTORS

Our subcontractors are specialized service providers who play a crucial role in the timely and high-quality completion of our refurbishment projects. Their expertise and reliability are indispensable for the high quality of our real estate projects and directly impact their success.



### MUNICIPALITIES AND AUTHORITIES

Constructive collaboration with municipal and regulatory institutions is essential for the approval and successful execution of assets under refurbishment, as well as being updated on environmental objectives. Compliance with legal requirements and fulfillment of all regulatory demands are prerequisites for our projects and contribute to the legal certainty and acceptance of our endeavors.



### EMPLOYEES\*

Our employees are the backbone of our company. Their dedication, expertise, and daily work drive our business and projects forward. Their loyalty and commitment are crucial for achieving our corporate goals and maintaining a high level of performance. This also means, that a permanent training and continuing of professional development is mandatory to our employees.

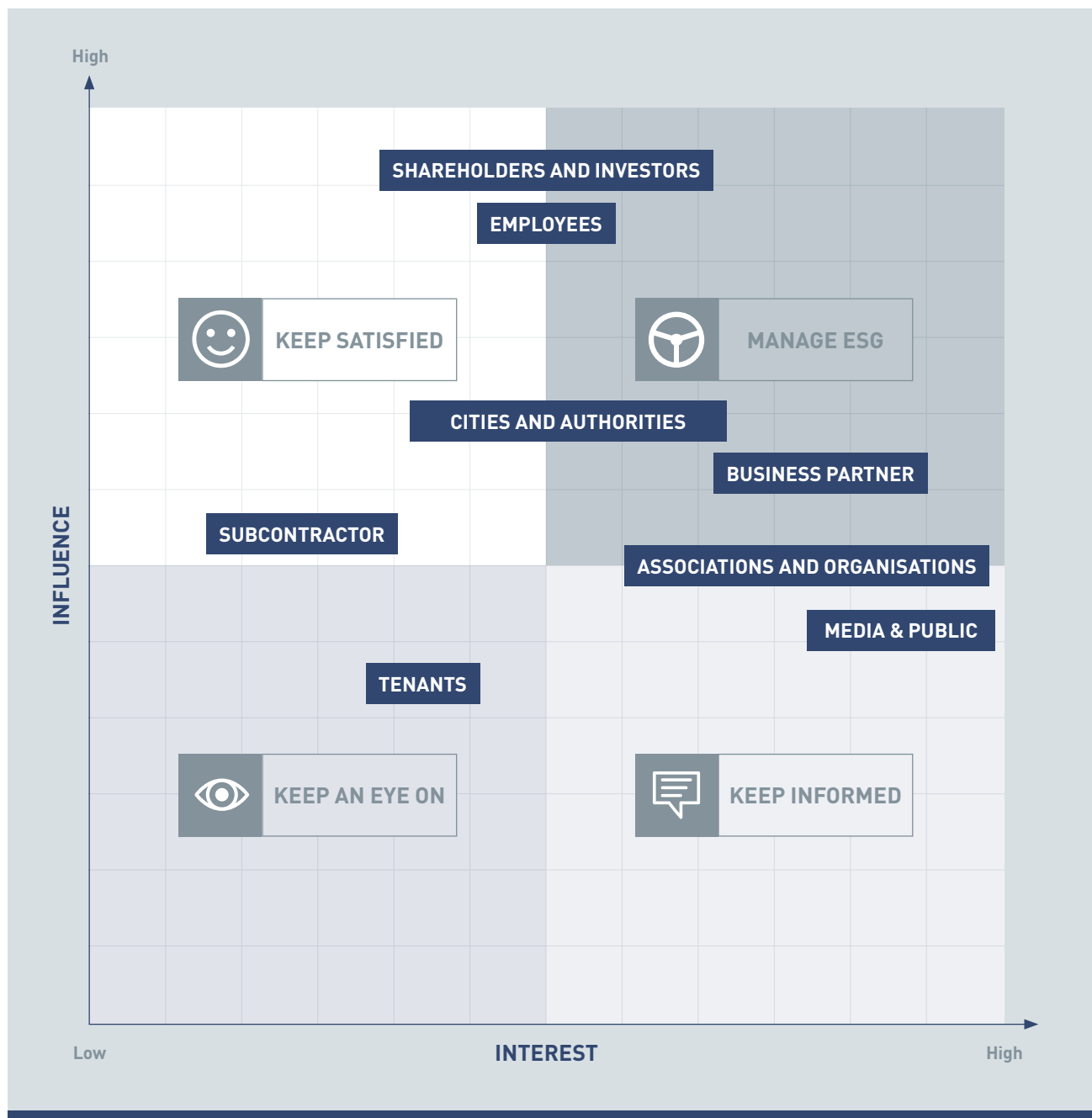


### MEDIA AND PUBLIC

A positive public image and good relations with the media are very important to us. Through transparent communication and active public relations, we foster trust and acceptance within the community. Positive media coverage helps us promote our company and projects and portray them in a favorable light.

\* Is based on the Asset Management Platform

# INFLUENCE AND INTEREST MATRIX



## STAKEHOLDER NEEDS AND FORMS OF DIALOGUE

| STAKEHOLDER GROUP                     | INTERESTS AND EXPECTATIONS  | FORMS OF DIALOGUE  |
|---------------------------------------|---|--|
| <b>SHAREHOLDERS AND INVESTORS</b>     | <ul style="list-style-type: none"> <li>■ Transparent and regular communication about business performance and projects</li> <li>■ Long-term value enhancement of the company</li> <li>■ Solid risk management</li> </ul>  | <ul style="list-style-type: none"> <li>■ Annual General Meeting</li> <li>■ Quarterly or annual reports</li> <li>■ Investor days</li> </ul>   |
| <b>EMPLOYEES</b>                      | <ul style="list-style-type: none"> <li>■ Attractive workplace</li> <li>■ Professional and personal development</li> <li>■ Work-life balance</li> <li>■ Safety and health at work</li> <li>■ Fair and attractive compensation</li> </ul>   | <ul style="list-style-type: none"> <li>■ Regular employee discussions</li> <li>■ Various events, activities, and incentives</li> <li>■ Communication via newsletter, social media, and team meetings</li> <li>■ Values guide</li> <li>■ Code of Conduct</li> </ul> |
| <b>BUSINESS PARTNERS</b>              | <ul style="list-style-type: none"> <li>■ High-quality and consistent services</li> <li>■ Information and transparency about projects</li> <li>■ Good accessibility and straightforward communication channels</li> </ul>  | <ul style="list-style-type: none"> <li>■ Regular exchanges during project phases</li> <li>■ Annual feedback meetings</li> <li>■ Customer and industry events</li> <li>■ Tenders and contract negotiations</li> </ul>   |
| <b>TENANTS</b>                        | <ul style="list-style-type: none"> <li>■ Reasonable and competitive rental prices</li> <li>■ High quality and maintenance of properties</li> <li>■ Quick and effective response to concerns and repair requests</li> <li>■ Safe and pleasant living or working environment</li> </ul> | <ul style="list-style-type: none"> <li>■ Website</li> <li>■ Notices</li> <li>■ On-site contacts</li> <li>■ Tenant surveys</li> </ul>   |
| <b>SUB-CONTRACTORS</b>                | <ul style="list-style-type: none"> <li>■ Fair business relationships</li> <li>■ Good cooperation basis</li> </ul>   | <ul style="list-style-type: none"> <li>■ Regular exchanges during order implementation</li> <li>■ Industry events</li> <li>■ Performance evaluations</li> <li>■ Code of Conduct</li> </ul>   |
| <b>ASSOCIATIONS AND ORGANISATIONS</b> | <ul style="list-style-type: none"> <li>■ Definition and promotion of common values</li> <li>■ Knowledge transfer</li> </ul>   | <ul style="list-style-type: none"> <li>■ Memberships and active engagement in various organisations</li> <li>■ Industry events</li> </ul>  |
| <b>CITIES AND AUTHORITIES</b>         | <ul style="list-style-type: none"> <li>■ Implementation of regulatory requirements</li> <li>■ Joint solution finding in real estate and neighborhood planning</li> </ul>  | <ul style="list-style-type: none"> <li>■ Coordination on decisions regarding relevant topics</li> <li>■ Legally required reports</li> <li>■ Local interest groups and neighborhood management</li> <li>■ Reports such as business and ESG reports</li> </ul>       |
| <b>MEDIA &amp; PUBLIC</b>             | <ul style="list-style-type: none"> <li>■ Targeted and timely information on current and strategic topics</li> <li>■ Strengthening the regional economy</li> <li>■ Supporting social projects</li> <li>■ Creating a livable environment</li> </ul>                                     | <ul style="list-style-type: none"> <li>■ Distribution of press materials</li> <li>■ Participation in events</li> <li>■ Interviews and panels</li> <li>■ Website</li> <li>■ Social media</li> </ul>   |



# RISK ANALYSIS

We assess risks, opportunities, and impacts within our sustainability management framework across our company and along our value chain. In doing so, we consider various subject-specific risk understandings.

| FIELD OF ACTION  | HAZARDS   | RISKS   | OPPORTUNITIES   | MEASURES   |
|--|---|---|---|--|
| <b>Process risks relate to our operational processes and can arise from threats to IT and communication systems, materials, and personnel.</b> |   |   |   |  |
| <b>EMPLOYEES</b>   | <ul style="list-style-type: none"> <li>■ Strain from increased temperatures, e.g., during heatwaves</li> <li>■ Deteriorated air quality and increased UV radiation</li> <li>■ Heightened infection risk</li> <li>■ Demographic changes</li> </ul> | <ul style="list-style-type: none"> <li>■ Loss of employee productivity</li> <li>■ Increase in sickness-related absences</li> <li>■ Skills shortage – leading to higher costs &amp; loss of knowledge</li> </ul>   | <ul style="list-style-type: none"> <li>■ Long-term employee retention</li> <li>■ Positioning as an attractive employer</li> </ul>   | <ul style="list-style-type: none"> <li>■ Market-competitive remuneration and benefits</li> <li>■ Team events &amp; offers</li> <li>■ Occupational safety, training, and development opportunities</li> </ul> |
| <b>DIGITALISATION</b>  | <ul style="list-style-type: none"> <li>■ Heat-related disruptions</li> <li>■ Damage to communication networks due to floods and extreme weather events</li> </ul>   | <ul style="list-style-type: none"> <li>■ System failures &amp; losses due to interruptions</li> <li>■ Data protection issues</li> <li>■ Reduced productivity due to application deficits</li> <li>■ Loss of confidential data</li> <li>■ Increased costs for protective measures</li> </ul> | <ul style="list-style-type: none"> <li>■ Increased process efficiency through simplification &amp; flexible working methods</li> <li>■ Cost control</li> <li>■ Competitive advantages through innovation</li> </ul> | <ul style="list-style-type: none"> <li>■ Regular hardware upgrades</li> <li>■ Installation of modern software</li> <li>■ Own IT department to enable quick solutions</li> </ul>                              |
| <b>MATERIAL</b>  | <ul style="list-style-type: none"> <li>■ Supply bottlenecks due to disruptions in the supply chain</li> </ul>   | <ul style="list-style-type: none"> <li>■ Rising costs</li> <li>■ Operational interruptions</li> <li>■ Quality impairment</li> </ul>   | <ul style="list-style-type: none"> <li>■ Independence through diversification in the supply chain</li> <li>■ Risk mitigation through partnerships</li> <li>■ Creative solutions through innovations</li> </ul>      | <ul style="list-style-type: none"> <li>■ Creation of a supplier inventory</li> <li>■ Continuous exchange with subcontractors</li> </ul>  |

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| FIELD OF ACTION   | HAZARDS   | RISKS  | OPPORTUNITIES  | MEASURES   |
|---|---|--|--|--|
| <b>Management risks relate to an increase in management requirements and costs resulting from new or tightened regulations, e.g., emission regulations.</b> |   |  |  |  |
| <b>COMPLIANCE</b>   | <ul style="list-style-type: none"> <li>■ Political changes to economic and social frameworks</li> <li>■ Particularly tightening legal regulations on environmental emissions and property operations</li> </ul> | <ul style="list-style-type: none"> <li>■ Increase in management requirements and higher compliance costs</li> <li>■ Reputational damage &amp; loss of market share due to lack of preparation</li> </ul> | <ul style="list-style-type: none"> <li>■ Resilience as an early adopter</li> <li>■ Positive communication opportunities</li> </ul>                                 | <ul style="list-style-type: none"> <li>■ Publication of a sustainability strategy in the ESG report</li> </ul>                                     |
| <b>DECARBONIZATION</b>  | <ul style="list-style-type: none"> <li>■ Paris Climate Agreement: global temperature rise should be limited to well below 2 degrees Celsius by 2050 – may not be achievable</li> </ul>                          | <ul style="list-style-type: none"> <li>■ Tightening of emission reduction targets</li> <li>■ Loss of market share in case of non-preparation</li> <li>■ Rising costs through offsetting</li> </ul>       | <ul style="list-style-type: none"> <li>■ Compliance with standards</li> <li>■ Achievement of goals (Net Zero by 2030)</li> </ul>                                   | <ul style="list-style-type: none"> <li>■ Monitoring and optimization of CO<sub>2</sub> emissions</li> <li>■ Creation of a GHG inventory</li> </ul> |
| <b>REPUTATION</b>   | <ul style="list-style-type: none"> <li>■ Insufficient commitment to climate protection and sustainability issues, as well as inadequate adaptation to the impacts of climate change</li> </ul>                  | <ul style="list-style-type: none"> <li>■ The company's image is negatively affected: negative publicity, lawsuits from environmental groups or customer boycotts</li> </ul>                              | <ul style="list-style-type: none"> <li>■ Communication with relevant stakeholders: transparently presenting the company's engagement and building trust</li> </ul> | <ul style="list-style-type: none"> <li>■ Definition of stakeholders and their needs</li> <li>■ stakeholder dialogue</li> </ul>                     |

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| FIELD OF ACTION  | HAZARDS  | RISKS  | OPPORTUNITIES   | MEASURES  |
|--|--|--|---|---|
| <b>Demand risks encompass market and competition risks arising from changing demand situations among direct customers or end customers.</b>  |  |  |   |   |
| <b>MARKET</b>  | <ul style="list-style-type: none"> <li>■ Changes in general market demand</li> <li>■ Economic fluctuations</li> <li>■ Demographic changes</li> <li>■ Regional economic conditions</li> </ul> | <ul style="list-style-type: none"> <li>■ Demand fluctuations</li> <li>■ Insolvencies of clients/ subcontractors</li> <li>■ Project delays</li> </ul> | <ul style="list-style-type: none"> <li>■ Resilience through risk analyses and sustainability management</li> </ul>  | <ul style="list-style-type: none"> <li>■ Participation in industry events</li> <li>■ Memberships in associations and organisations</li> </ul> |
| <b>CUSTOMERS</b>   | <ul style="list-style-type: none"> <li>■ Changes in the needs, expectations and preferences of customers regarding environmental and sustainability aspects</li> </ul>                       | <ul style="list-style-type: none"> <li>■ Change in demand for property management services</li> </ul>  | <ul style="list-style-type: none"> <li>■ Adaptation of the service portfolio concerning sustainability regulations</li> </ul>   | <ul style="list-style-type: none"> <li>■ Continuous customer dialogue</li> <li>■ Participation in customer events</li> </ul>                  |
| <b>COMPETITION</b>   | <ul style="list-style-type: none"> <li>■ Competitors could expand their services or new technologies could intensify competition</li> </ul>  | <ul style="list-style-type: none"> <li>■ Loss of contracts and customers to competitors – in tenders or existing projects</li> </ul>                 | <ul style="list-style-type: none"> <li>■ Differentiation from competitors through sustainability efforts and innovation</li> <li>■ Expansion of the business model</li> </ul> | <ul style="list-style-type: none"> <li>■ Expansion of the service portfolio</li> <li>■ Active external communication</li> </ul>               |
| <b>Procurement risks refer to the scarcity of supply resources such as electricity and water or the failure or delay of deliveries and/or contributions due to process disruptions by subcontractors or suppliers.</b> |  |  |   |   |
| <b>ENERGY SUPPLY</b>   | <ul style="list-style-type: none"> <li>■ Unexpected interruption of energy supply by providers due to climate events</li> </ul>  | <ul style="list-style-type: none"> <li>■ Operational interruptions</li> <li>■ Quality impairment</li> </ul>  | <ul style="list-style-type: none"> <li>■ Building a resilient infrastructure with reserve systems in place</li> <li>■ Diversification of energy sources</li> </ul>            | <ul style="list-style-type: none"> <li>■ Supplier change, development of emergency plans</li> </ul>   |
| <b>RESOURCES</b>   | <ul style="list-style-type: none"> <li>■ Scarcity of energy resources due to supply difficulties, political unrest, or natural disasters</li> </ul>  | <ul style="list-style-type: none"> <li>■ Rising costs</li> <li>■ Operational interruptions</li> <li>■ Quality impairment</li> </ul>                  | <ul style="list-style-type: none"> <li>■ Increase in energy efficiency</li> <li>■ Reduction of ecological footprint</li> </ul>  | <ul style="list-style-type: none"> <li>■ Forward planning and control</li> </ul>  |

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| FIELD OF ACTION   | HAZARDS   | RISKS  | OPPORTUNITIES  | MEASURES  |
|---|---|--|--|---|
| <b>Portfolio risks in real estate encompass the impacts of climate change, such as the increased risk of extreme weather events, the availability and cost increases of insurance, and the need to adapt buildings to new environmental standards, which may be due to tightened regulatory requirements or market changes.</b> |   |  |  |   |
| <b>PHYSICAL CLIMATE RISKS</b>   | <ul style="list-style-type: none"> <li>■ Increasing strain due to extreme weather events such as floods, heatwaves, storms, and earthquakes</li> </ul>  | <ul style="list-style-type: none"> <li>■ Direct damage to buildings and, consequently, costs for maintenance, reconstruction, or adaptation to new climatic conditions</li> </ul>  | <ul style="list-style-type: none"> <li>■ Investments in climate-resilient construction methods can increase the long-term value and demand for properties</li> </ul>   | <ul style="list-style-type: none"> <li>■ Conducting climate risk analyses and implementing protective measures</li> </ul>   |
| <b>TRANSITIONAL CLIMATE RISKS</b>   | <ul style="list-style-type: none"> <li>■ Stricter environmental regulations and higher energy standards lead to rising renovation and refurbishment costs</li> </ul>                                  | <ul style="list-style-type: none"> <li>■ Depreciation or harder-to-lease properties due to insufficient attention to climate protection requirements, resulting in lower rental income and increased vacancy risk</li> </ul> | <ul style="list-style-type: none"> <li>■ Value enhancement of portfolios through investments in sustainable construction methods and green technologies, leading to lower long-term operating costs and higher attractiveness for tenants</li> </ul> | <ul style="list-style-type: none"> <li>■ Analogous to physical climate risk measures, additionally proactive investment in energy efficiency measures and sustainable building technologies and management systems</li> </ul> |
| <b>MARKET</b>   | <ul style="list-style-type: none"> <li>■ Inadequate implementation of sustainability dimensions can lead to a decline in demand for certain types of properties or in specific regions</li> </ul>     | <ul style="list-style-type: none"> <li>■ Depreciation due to changing market preferences and declining demand for non-sustainable properties</li> </ul>  | <ul style="list-style-type: none"> <li>■ Focusing on sustainable buildings can attract new tenants and increase rental yields</li> </ul>   | <ul style="list-style-type: none"> <li>■ Diversification of the portfolio with a focus on energy-efficient and environmentally friendly properties</li> </ul>   |
| <b>LAW AND POLITICS</b>   | <ul style="list-style-type: none"> <li>■ Political changes to economic and social frameworks, particularly tightening legal regulations on environmental emissions and property operations</li> </ul> | <ul style="list-style-type: none"> <li>■ Tightening regulatory requirements</li> <li>■ Loss of market share in case of non-preparation</li> <li>■ Rising costs through offsetting</li> </ul>                                 | <ul style="list-style-type: none"> <li>■ Proactive adaptation to legal requirements can secure competitive advantages and government incentives</li> </ul>   | <ul style="list-style-type: none"> <li>■ Monitoring legislative changes and early planning of renovations to comply with new standards</li> </ul>   |

## AGENDA 2030

With the Agenda 2030, the United Nations adopted a global action plan in 2015 for states, companies, and other stakeholders to jointly address the most pressing challenges for humanity and the environment. At the core of this action plan are the 17 Sustainable

Development Goals (SDGs) for social, economic, and environmental development – ranging from eradicating poverty and reducing inequalities to combating climate change.



As part of the global community, we contribute to the SDGs and align our sustainability efforts with the SDGs where we have the most significant impact. We

have identified 8 SDGs as strategically relevant for our company:



**SDG 4.1:** Ensure quality education and promote lifelong learning opportunities for all



**SDG 11.3:** Inclusive and sustainable urbanisation  
**SDG 11.6:** Reduce the environmental impact of cities



**SDG 5.1:** End all forms of discrimination against all women and girls  
**SDG 5.5:** Ensure womens full participation in leadership and decision-making



**SDG 12.5:** Substantially reduce waste generation



**SDG 7.2:** Increase global percentage of renewable energy  
**SDG 7.3:** Double the improvement in energy efficiency



**SDG 13.3:** Building knowledge and capacity to meet climate change



**SDG 8.5:** Achieve full employment and decent work with equal pay  
**SDG 8.8:** Protect labor rights and ensure a safe working environment



**SDG 17.17:** Encourage effective partnerships





VIVION IN ACTION



## KEY TOPICS AND MAIN GOALS

| DIMENSION               | KEY TOPIC                                  | GOALS   |
|-------------------------|--|---|
| ENVIRONMENT – PORTFOLIO | Energy Demand & CO <sub>2</sub>            | <ul style="list-style-type: none"> <li>■ Net Zero 2030 in Scope 1 &amp; 2</li> <li>■ Net Zero 2040 in Scope 1, 2 &amp; 3</li> </ul>   |
|                         | CO <sub>2</sub> Intensity                  | <ul style="list-style-type: none"> <li>■ Reduction of CO<sub>2</sub> intensity in completed projects compared to the base year 2021</li> </ul>  |
|                         | Renewable Energy                           | <ul style="list-style-type: none"> <li>■ Increase the share of renewable energy sources through investments in solar panels, wind power, or other sustainable energy sources</li> </ul>   |
|                         | Energy Management                          | <ul style="list-style-type: none"> <li>■ Reduction of energy consumption while increasing energy efficiency compared to the base year 2021, through process optimization and integration of modern energy management systems</li> </ul>   |
|                         | Resources, Circular Economy & Biodiversity | <ul style="list-style-type: none"> <li>■ Implementing energy management for all property-specific utilities</li> <li>■ No waste disposal to landfills, motivate tenants to reuse and recycle, and reduce plastic usage</li> <li>■ Increase contributions to initiatives promoting biodiversity</li> <li>■ Increase green spaces (facade/roof) in the portfolio</li> <li>■ Reduce impervious surfaces.</li> <li>■ Implementation of circular economy approaches</li> </ul> |
|                         | Environmental & Building Certification     | <ul style="list-style-type: none"> <li>■ Obtain recognized building management and environmental certifications such as LEED, BREEAM, or DGNB for all existing and renovated buildings, as well as certifications for our materials (e.g., EPD, green electricity certificates)</li> </ul>  |
| ENVIRONMENT – WORKPLACE | Mobility – Fleet & Travel                  | <ul style="list-style-type: none"> <li>■ By 2030: Double the number of vehicles with alternative drives</li> <li>■ By 2028: Reduce CO<sub>2</sub> emissions from air travel by -25%.</li> </ul>   |
| SOCIAL                  | Attractive Employer                        | <ul style="list-style-type: none"> <li>■ Minimize employee turnover</li> <li>■ Maintain and promote employee health</li> <li>■ Annual ESG awareness training for 100% of employees</li> <li>■ 25% more training hours per employee</li> <li>■ Promote feedback culture – annual employee review with 100% of employees</li> </ul>   |
|                         | Diversity and Equal Opportunity            | <ul style="list-style-type: none"> <li>■ By 2030: Increase the percentage of women in leadership positions to 40% and the overall female workforce to 45%.</li> </ul>   |
|                         | Tenant Retention                           | <ul style="list-style-type: none"> <li>■ Structured monitoring of tenant satisfaction beyond regular communication with asset, property and leasing management</li> </ul>   |
| GOVERNANCE              | Corporate Governance & Compliance          | <ul style="list-style-type: none"> <li>■ Implementation of universally applicable Code of Conduct</li> </ul>  |
|                         | Innovation & Technologies                  | <ul style="list-style-type: none"> <li>■ Implementation of structured recording (smart metering) of all consumption at property level to increase the efficient use of water, gas, electricity and other related media</li> </ul>   |



# ENVIRONMENTAL INITIATIVES



# ROADMAP





# CLIMATE STRATEGIES FOR THE FUTURE: PATHS TO SUSTAINABILITY AND CLIMATE NEUTRALITY

To lead our company to net-zero emissions (Scope 1, 2) by 2030, we are committed to transforming our business into an environmentally friendly company and presenting our "Manage-to-Green" portfolio. We see it as our duty to promote the development of a sustainable future.

## Our Climate Strategy

Climate change is not only the most significant environmental issue for our planet and the global population, but also for our company. Our strategy aims to minimise our environmental impact, ensure long-term sustainability, and contribute to global climate protection. Therefore, we have set the ambitious goal of achieving climate neutrality (net-zero operational CO<sub>2</sub> emissions) by 2030 – including our greenhouse gas emissions from the properties in our portfolios over which we have direct operational control.

We have embarked on a journey to analyse our portfolio, identify opportunities and risks, derive resulting optimisation possibilities, and refurbish properties to achieve climate neutrality. We evaluate new investments through acquisition risk analyses based on key environmental factors to identify market and value enhancement potentials.

Our climate strategy aims to reduce our emissions along the entire value chain, strengthen the resilience of our assets, and promote a low-carbon economy. Therefore, we strive to achieve net-zero CO<sub>2</sub> emissions across our entire value chain by 2040.

Through these measures, we actively commit to a more sustainable future, with the goal of making a significant contribution to addressing climate change.





## Visualization of Climate Strategy Goals

|   |   |
|---|---|
| <p><b>DECARBONISATION -<br/>REDUCING CARBON EMISSIONS</b></p> <ul style="list-style-type: none"> <li>▶ <b>Carbon Footprint</b><br/>Creation and regular updates of a detailed carbon footprint to track and reduce our emissions.</li> <li>▶ <b>Emission Reduction Plans</b><br/>Implementation of measures to reduce emissions in production, transport, and operations.</li> </ul>  | <p><b>ENERGY EFFICIENCY AND<br/>RENEWABLE ENERGY</b></p> <ul style="list-style-type: none"> <li>▶ <b>Energy Efficiency Measures</b><br/>Conduct regular energy audits and implement energy-efficient technologies and processes across all operations.</li> <li>▶ <b>Renewable Energy</b><br/>Increase the share of renewable energy by investing in solar energy, wind power, and other sustainable energy sources. Cover 100% of our electricity and heat energy needs from renewable sources.</li> </ul> |
| <p><b>CIRCULAR ECONOMY AND<br/>RESOURCE CONSERVATION</b></p> <ul style="list-style-type: none"> <li>▶ <b>Circular Economy</b><br/>Integration of circular economy principles into our business processes to minimise waste and use resources more efficiently.</li> <li>▶ <b>Resource Conservation</b><br/>Reduce the consumption of primary raw materials through recycling, reuse, and the application of sustainable materials.</li> </ul>   | <p><b>SUSTAINABLE SUPPLY CHAIN</b></p> <ul style="list-style-type: none"> <li>▶ <b>Supplier Management</b><br/>Collaborate with suppliers and partners to promote sustainable practices and ensure that emission and resource goals are met throughout the supply chain.</li> <li>▶ <b>Procurement Policies</b><br/>Introduce policies that prioritise ecologically friendly and sustainable products and services.</li> </ul>  |
| <p><b>TRANSPARENCY, EDUCATION,<br/>AND ENGAGEMENT</b></p> <ul style="list-style-type: none"> <li>▶ <b>Certifications</b><br/>Achieve and maintain recognised environmental certifications to demonstrate our commitment to transparency and sustainable practices.</li> <li>▶ <b>Training</b><br/>Conduct training programs for employees to raise climate awareness and issues as well as promote environmentally friendly conducts.</li> <li>▶ <b>Engagement:</b><br/>Promote initiatives that support climate protection and participate in industry-wide and community environmental projects.</li> </ul> | <p><b>CLIMATE ADAPTATION AND RESILIENCE</b></p> <ul style="list-style-type: none"> <li>▶ <b>Supplier Management</b><br/>Assess Climate Risks: Conduct risk analyses to evaluate the impact of climate change on our operations and infrastructure.</li> <li>▶ <b>Adaptation Strategies</b><br/>Develop and implement adaptation strategies to increase resilience to climatic changes, such as extreme weather events or rising temperatures.</li> </ul>  |

# ENERGY & CLIMATE

## Our Focus Areas

| ENERGY & CLIMATE   | PROGRESS & UPDATES   |
|--|--|
| <p><b>The goal is to achieve net-zero emissions in operational areas (Scope 1 &amp; 2) by 2030 and material (Scope 3) emissions by 2040.</b></p> | <ul style="list-style-type: none"> <li>■ We have expanded the annual monitoring and measurement of energy consumption and emissions and have begun installing AMR (Automatic Meter Reading) technologies to improve the quality of this data. We will continue working to broaden the scope of this data to cover our entire managed portfolio.</li> <li>■ In collaboration with external technical advisors (EVORA), we collected relevant data as early as 2021, and in 2023, we further deepened this with an ESG consulting firm (Green Lion Consulting GmbH) to define our net-zero path. In 2024, we aim to further intensify our data collection efforts.</li> <li>■ We will align these models with the latest guidelines from CRREM and SBTi as soon as they are published in 2023/2024.</li> <li>■ We have further enhanced our due diligence processes to understand the transition risks for all assets under consideration. We aim to acquire only those assets where we are confident that they can be decarbonised in a timely manner.</li> </ul> |
| <p><b>100% of electricity sourced from renewable energy</b></p>  | <ul style="list-style-type: none"> <li>■ For our German portfolio, we are in contact with our tenants to point out the advantages of green electricity and to switch to electricity from renewable energy sources that we directly control.</li> <li>■ Our British hotel portfolio sources its electricity with "Renewable Energy Certificates" to guarantee its origin. Additionally, the majority of the gas used for heating is obtained from renewable sources.</li> <li>■ In the future, we aim to transition our heating supply, like electricity generation, entirely to renewable sources.</li> </ul>  |
| <p><b>Installation of On-site Renewable Energy Systems</b></p>   | <p>A solar PV pilot project was completed at our property in Frankfurt, and feasibility studies for solar and wind energy systems have been initiated or further pursued at several British hotels.</p>  |
| <p><b>Optimisation of CHP Systems</b></p>  | <p>In 2022, we installed Combined Heat and Power (CHP) systems in 14 of our British hotels, which were identified as the most efficient for operating these systems. Together with our energy advisor (the owner of the CHP systems in our properties), we closely monitor the efficiency of these systems and will introduce them in additional properties in our portfolio. Since the CHP systems are ultimately owned by our energy advisor, further investments to improve the efficiency of the CHP systems should be covered by them. Ultimately, our tenants will benefit from reduced energy consumption through the optimisation of the CHP systems efficiency.</p>   |

## Road to Net Zero

We are transforming our business model to achieve net-zero emissions by relying on electricity from renewable energy sources and implementing innovative energy efficiency solutions to decarbonise our buildings.

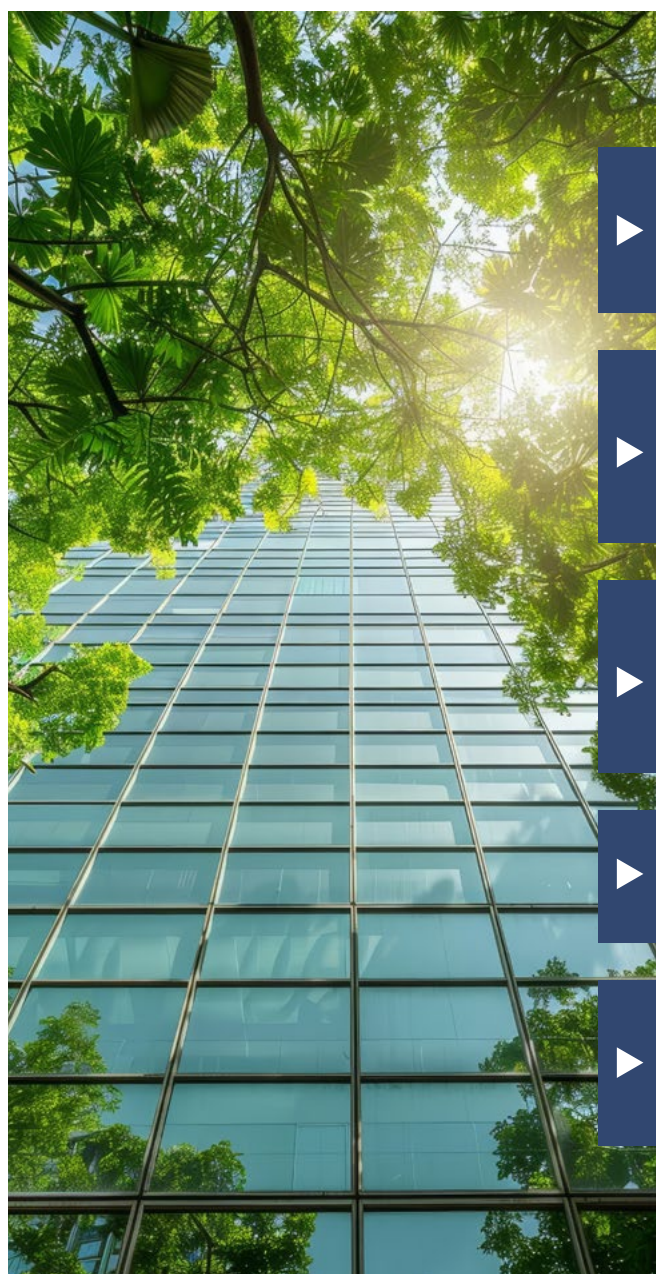
### Decarbonisation of Our Buildings

Currently, our commitment to carbon neutrality for operational CO<sub>2</sub> emissions applies to buildings over which we have direct control. This includes all Scope 1 and Scope 2 greenhouse gas emissions from our

portfolio, wherever we have operational control and the ability to directly influence energy consumption and the associated emissions.

We have embarked on a journey to analyse our portfolio, identify opportunities and risks, and derive results into optimisation possibilities to achieve climate-neutral refurbishments. Additionally, we evaluate new investments through acquisition risk analyses based on key environmental factors to identify market and value enhancement potentials.

Our plan to achieve operational net-zero CO<sub>2</sub> emissions focuses on five key elements:



#### ENERGY EFFICIENCY IMPROVEMENT

Implementing innovative technologies and systems to maximise energy efficiency in all buildings.

#### SMART BUILDING MANAGEMENT SYSTEMS

Introducing advanced monitoring and control technologies to optimise energy use and reduce emissions.

#### LOW-CARBON MATERIALS

Using sustainable and low-carbon materials in construction, refurbishments and renovations to minimise embodied carbon.

#### USE OF RENEWABLE ENERGY SOURCES

Powering our assets with 100% renewable sources.

#### LONG-TERM CARBON OFFSETTING

Developing a sustainable strategy to offset unavoidable emissions.

# ENERGY DEMAND & CO<sub>2</sub> IN DATA

## Energy Demand

In 2023, our entire portfolio in Germany and the United Kingdom recorded a total energy consumption of 172,564,672.79 kWh. This includes 69,746,161.93 kWh for electricity, 68,054,730.84 kWh for gas, and 34,763,780.02 kWh for heating from district heating suppliers and combined heat and power (CHP) systems, resulting in an energy consumption of approximately 175.46 kWh per square metre. These figures highlight the significant energy demand of our properties and underscore the need for targeted optimisation measures.

Aiming to significantly reduce the energy demand identified in 2023, we are using these figures as a baseline to implement energy-efficient and climate-resilient systems. Our plans include integrating Combined Heat and Power (CHP) systems into more of our buildings, transitioning to district heating, and installing our own solar photovoltaic systems. These measures are expected to significantly enhance energy efficiency and

reduce the overall consumption of electricity and gas. We will rely on continuous monitoring and improvement of these systems to minimise CO<sub>2</sub> emissions and reduce costs.

Thanks to our initiatives in the past years, such as increasing the heat supply to our German portfolio through district heating with a higher proportion of renewable energy, we have already made considerable progress in reducing energy consumption. However, our efforts don't stop here. We are committed to further reducing energy consumption per square metre and sustainably lowering the portfolio's overall energy demand.

By the end of 2024, we aim to achieve continued measurable improvements that will not only benefit our ecological footprint but also enhance the value and competitiveness of our properties. Optimising our energy use is a key element of our strategy, driving both environmental responsibility and long-term business success.







## CO<sub>2</sub> Emissions

In 2023, we have made significant progress in reducing our greenhouse gas emissions.

Our Scope 1 emissions, which encompass direct emissions, total 2,665.35 tCO<sub>2</sub>e.

Scope 2 emissions, which result from the consumption of electricity and heat, amount to 3,792.91 tCO<sub>2</sub>e. This higher value, compared to Scope 1 emissions, is due to the increased implementation of district heating and CHP systems across our buildings in recent years.

Combined, our Scope 1 and Scope 2 emissions total 6,458.26 tCO<sub>2</sub>e.

Our Scope 3 emissions, which include indirect emissions from upstream and downstream activities, amount to 2,068.51 tCO<sub>2</sub>e. This value is primarily due to the large number of properties in the United Kingdom that, while owned by our company, are not under our operational control.

Overall, our total emissions across Scope 1, 2, and 3 amount to 8,526.78 tCO<sub>2</sub>e.

## CO<sub>2</sub> Intensity

A remarkable achievement is the reduction in emission intensity. The Scope 1 and Scope 2 intensity amounts to 12.06 kgCO<sub>2</sub>e/m<sup>2</sup>/year. Additionally, the combined Scope 1, 2, and 3 intensity amounts to 17.94 kgCO<sub>2</sub>e/m<sup>2</sup>/year.

## Optimisations

These results reflect our ongoing efforts to minimise the environmental impact of our portfolio and pursue sustainable business practices.

We are dedicated to significantly reducing our ecological footprint with the goal of achieving net-zero emissions for Scope 1 and Scope 2 by 2030 and 2040, respectively, and net-zero emissions for Scope 3 by 2040. Our efforts focus on reducing CO<sub>2</sub> emissions and intensity while enhancing our overall contribution to climate protection.

Our recent progress includes the establishment of an ESG Committee and the initiation of ESG performance evaluations in 2021. In 2022, we improved data coverage, launched Paris Proof, advanced renewable energy transitions, and began installing solar panels and CHP systems. We also started feasibility studies for PV modules and electric charging systems.

Looking ahead, our 2023 initiatives involve intensifying PV system installations, implementing active waste management, and starting green labeling certification processes. By 2024, we aim to establish a water management system, engage with communities, and use ESG software for property-specific strategies. In 2025, we plan to adopt the Manage-to-Green approach and digital control technologies, followed by data-driven business plans and a building greening strategy in 2026 to enhance the microclimate around our properties.

## Environmental Performance Measures: Energy

| COUNTRY | FACTOR                 | METRIC             | 2023           |                   | 2022           |                   | 2021           |                   |
|---------|------------------------|--------------------|----------------|-------------------|----------------|-------------------|----------------|-------------------|
|         |                        |                    | VALUE          | NUMBER OF OBJECTS | VALUE          | NUMBER OF OBJECTS | VALUE          | NUMBER OF OBJECTS |
| GER     | District heating / CHP | Consumption (kWh)  | 18,791,418.69  | 47/49*            | 4,003,675.00   | 9/42              | 4,003,675.00   | 9/42              |
|         |                        | of which estimated | -              |                   | 100%           |                   | 100%           |                   |
|         |                        | of which renewable | 36.16%         |                   | -              |                   | -              |                   |
|         | Electricity            | Consumption (kWh)  | 26,039,603.93  | 47/49*            | 19,113,210.00  | 42/42             | 19,113,210.00  | 42/42             |
|         |                        | of which estimated | -              |                   | 100%           |                   | 100%           |                   |
|         |                        | of which renewable | 36.33%         |                   | -              |                   | -              |                   |
|         | Gas                    | Consumption (kWh)  | 36,085,783.16  | 47/49*            | 62,778,406.00  | 37/42             | 62,778,406.00  | 37/42             |
|         |                        | of which estimated | -              |                   | 100%           |                   | 100%           |                   |
|         |                        | of which renewable | -              |                   | -              |                   | -              |                   |
|         | Total                  | Consumption (kWh)  | 80,916,805.78  | 47/49*            | 85,895,291.00  | 42/42             | 85,895,291.00  | 42/42             |
|         |                        | of which estimated | -              |                   | 100%           |                   | 100%           |                   |
|         |                        | of which renewable | 22.52%         |                   | -              |                   | -              |                   |
| UK      | District heating / CHP | Consumption (kWh)  | 23,170,926.42  | 52/53             | -              | 0/52              | -              | 0/52              |
|         |                        | of which estimated | -              |                   | -              |                   | -              |                   |
|         |                        | of which renewable | 89.64%         |                   | -              |                   | -              |                   |
|         | Electricity            | Consumption (kWh)  | 43,706,558.00  | 52/53             | 48,959,014.00  | 52/52             | 37,017,935.00  | 52/52             |
|         |                        | of which estimated | -              |                   | 0.90%          |                   | -              |                   |
|         |                        | of which renewable | 84.55%         |                   | 75%            |                   | 99.50%         |                   |
|         | Gas                    | Consumption (kWh)  | 57,536,049.89  | 52/53             | 101,096,363.00 | 52/52             | 101,154,157.00 | 52/52             |
|         |                        | of which estimated | -              |                   | 5%             |                   | 99.90%         |                   |
|         |                        | of which renewable | 76.44%         |                   | 62.70%         |                   | 62.60%         |                   |
|         | Total                  | Consumption (kWh)  | 124,413,534.31 | 52/53             | 150,055,377.00 | 52/52             | 138,172,091.00 | 52/52             |
|         |                        | of which estimated | -              |                   | 3.70%          |                   | 73.20%         |                   |
|         |                        | of which renewable | 126.02%        |                   | 66.70%         |                   | 72.50%         |                   |
| TOTAL   | District heating / CHP | Consumption (kWh)  | 41,962,345.11  | 99/102**          | 4,003,675.00   | 9/94              | 4,003,675.00   | 9/94              |
|         |                        | of which estimated | -              |                   | 100%           |                   | 100%           |                   |
|         |                        | of which renewable | 65.69%         |                   | -              |                   | -              |                   |
|         | Electricity            | Consumption (kWh)  | 69,746,161.93  | 99/102**          | 68,072,223.00  | 94/94             | 56,131,144.00  | 94/94             |
|         |                        | of which estimated | -              |                   | 28.80%         |                   | 34.10%         |                   |
|         |                        | of which renewable | 73.96%         |                   | 53.90%         |                   | 65.60%         |                   |
|         | Gas                    | Consumption (kWh)  | 93,621,833.05  | 99/102**          | 163,874,770.00 | 89/94             | 163,932,563.00 | 89/94             |
|         |                        | of which estimated | -              |                   | 41.40%         |                   | 100%           |                   |
|         |                        | of which renewable | 46.98%         |                   | 38.70%         |                   | 38.70%         |                   |
|         | Total                  | Consumption (kWh)  | 205,330,340.09 | 99/102**          | 235,950,668.00 | 94/94             | 224,067,382.00 | 94/94             |
|         |                        | of which estimated | -              |                   | 38.80%         |                   | 83.50%         |                   |

Based on the data available, a total of 99 out of 102\*\* objects are reported in this report. There are two objects in Germany as well as one object in UK that are classified as development properties. The values for 2021 and 2022 were estimated, and for 2023 were recorded in real terms for the first time. For this reason, we have omitted the trend because estimated data cannot be compared with real data. Electricity consumption in the UK is calculated on the assumption that the green electricity certificates are extended.

\* Includes assets held for sale.

\*\* Includes assets held for sale, excludes assets held outside of Germany and the UK.

## Environmental Performance Measures: Emissions (Divided into Scope 1-3)

| COUNTRY | FACTOR   | METRIC   | 2023     |                   | 2022      |                   | 2021      |                   |
|---------|----------|--|----------|-------------------|-----------|-------------------|-----------|-------------------|
|         |          |  | VALUE    | NUMBER OF OBJECTS | VALUE     | NUMBER OF OBJECTS | VALUE     | NUMBER OF OBJECTS |
| GER     | Emission | Scope 1 (tCO <sub>2</sub> e)   | 2,665.35 | 47/49*            | 11,488.00 | 37/42             | 11,488.00 | 37/42             |
|         |          | Scope 2 (tCO <sub>2</sub> e)   | 3,792.92 | 47/49*            | 6,966.00  | 42/42             | 7,633.00  | 42/42             |
|         |          | Scope 3 (tCO <sub>2</sub> e)   | 44.82    | 47/49*            | -         | -                 | -         | -                 |
|         |          | Scope 1 + 2 (tCO <sub>2</sub> e)                                     | 6,458.27 | 47/49*            | 18,454.00 | 42/42             | 19,121.00 | 42/42             |
|         |          | Scope 1 + 2 + 3 (tCO <sub>2</sub> e)                                 | 6,503.09 | 47/49*            | -         | -                 | -         | -                 |
|         |          | Scope 1 + 2 Intensity (kgCO <sub>2</sub> e/m <sup>2</sup> /year)     | 12.06    | 47/49*            | 43.7      | 42/42             | 45.3      | 42/42             |
|         |          | Scope 3 Intensity (kgCO <sub>2</sub> e/m <sup>2</sup> /year)         | 12.14    | 47/49*            | -         | -                 | -         | -                 |
| UK      | Emission | Scope 1 (tCO <sub>2</sub> e)   | -        | 52/53             | 284.00    | 52/52             | -         | 52/52             |
|         |          | Scope 2 (tCO <sub>2</sub> e)   | -        | 52/53             | 322.00    | 52/52             | -         | 52/52             |
|         |          | Scope 3 (tCO <sub>2</sub> e)   | 2,023.70 | 52/53             | 27,457.00 | 52/52             | 26,415.00 | 52/52             |
|         |          | Scope 1 + 2 (tCO <sub>2</sub> e)                                     | -        | 52/53             | 606.00    | 52/52             | -         | 52/52             |
|         |          | Scope 1, 2 + 3 (tCO <sub>2</sub> e)                                  | 2,023.70 | 52/53             | 28,063.00 | 52/52             | 26,415.00 | 52/52             |
|         |          | Scope 1 + 2 Intensity (kgCO <sub>2</sub> e/m <sup>2</sup> /year)     | -        | 52/53             | 1.4       | 52/52             | -         | 52/52             |
|         |          | Scope 1 + 2 + 3 Intensity (kgCO <sub>2</sub> e/m <sup>2</sup> /year) | 5.79     | 52/53             | 63.6      | 52/52             | 59.8      | 52/52             |
| TOTAL   | Emission | Scope 1 (tCO <sub>2</sub> e)   | 2,665.35 | 99/102**          | 11,772.00 | 89/94             | 11,488.00 | 89/94             |
|         |          | Scope 2 (tCO <sub>2</sub> e)   | 3,792.92 | 99/102**          | 7,288.00  | 94/94             | 7,633.00  | 94/94             |
|         |          | Scope 3 (tCO <sub>2</sub> e)   | 2,068.52 | 99/102**          | 27,457.00 | 94/94             | 26,415.00 | 94/94             |
|         |          | Scope 1 + 2 (tCO <sub>2</sub> e)                                     | 6,458.27 | 99/102**          | 19,060.00 | 94/94             | 19,122.00 | 94/94             |
|         |          | Scope 1, 2 + 3 (tCO <sub>2</sub> e)                                  | 8,526.79 | 99/102**          | 46,517.00 | 94/94             | 45,536.00 | 94/94             |
|         |          | Scope 1 + 2 Intensity (kgCO <sub>2</sub> e/m <sup>2</sup> /year)     | 12.06    | 99/102**          | 22.1      | 94/94             | 22.1      | 94/94             |
|         |          | Scope 1 + 2 + 3 Intensity (kgCO <sub>2</sub> e/m <sup>2</sup> /year) | 17.94    | 99/102**          | 53.9      | 94/94             | 52.7      | 94/94             |

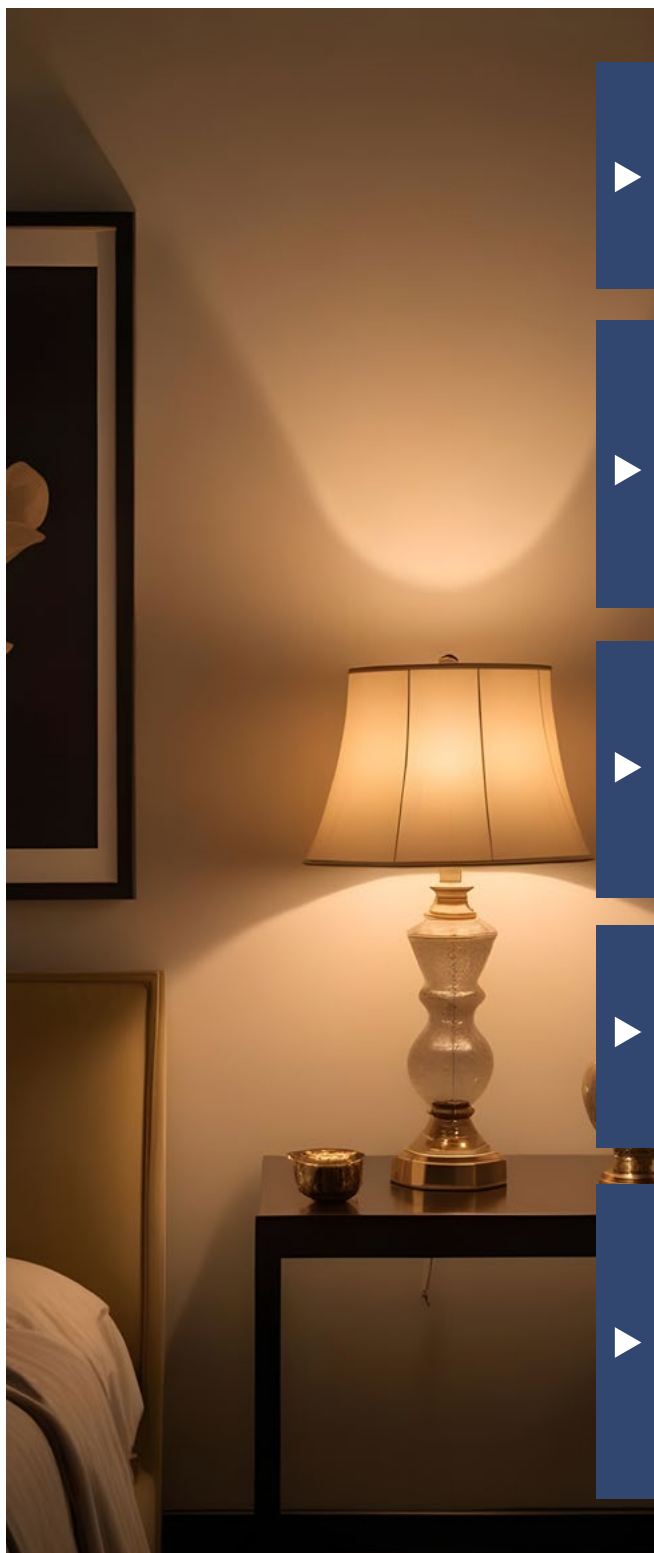
\* Includes assets held for sale.

\*\* Includes assets held for sale, excludes assets held outside of Germany and the UK.

## MAXIMISING ENERGY EFFICIENCY

Our hotel properties in the United Kingdom face significant challenges in improving the environmental performance of their facilities, particularly due to the limited operational control over energy consumption and the continuous operation required in this sector.

Nevertheless, we work closely with our asset managers and leverage our environmental management system to implement the most effective and practical measures.



### PORTFOLIO-WIDE MEASURES

Measures such as motion sensor lighting and water-efficient fixtures are mandatory standards for our hotel portfolio in the United Kingdom, which is certified under the IHG Green Engage programme.

### BUILDING MANAGEMENT SYSTEMS

Some locations are equipped with a Building Management System (BMS) that enables smarter control of the energy consumption of building systems. These systems are not feasible everywhere, as they may require extensive optimisations of existing systems.

### AUTOMATIC METER READING

To complement the selective use of BMS, we are also installing automatic meter reading systems across our portfolio. These technologies will significantly enhance our ability to monitor and control the utility consumption of these assets.

### INSULATING POOL COVERS

We are equipping several of our hotels with insulating covers for their pools to reduce energy consumption for maintaining temperature overnight.

### COMBINED HEAT AND POWER

We are also installing Combined Heat and Power (CHP) systems in assets in the United Kingdom and Germany that have suitable energy consumption profiles. These systems use the thermal energy generated during electricity production to provide heating for the building, thereby reducing our overall energy consumption.



## TRANSITION TO RENEWABLE ENERGY

In addition to minimising energy consumption, we ensure that the energy originates from the most sustainable sources. Around 85% of the electricity, 71% of the gas and 90% of the CHP gas in our hotel portfolio are sourced from green energy verified by “Renewable Energy Certificates”.

Furthermore, feasibility studies are underway in several of our hotels for the construction of solar farms on rooftops, carports, and adjacent land, with promising candidates for pilot projects already identified. We are also exploring the potential for on-site wind power generation at these hotel locations. We will provide further updates on the progress of these evaluations in our next ESG report.

In Germany, more than half of the heating demand for buildings is met through district heating or CHP systems, with 31% of the energy supplied coming from

renewable sources. A similar trend is observed in electricity generation, where 58% of the total energy consumed is derived from renewable energy sources.

To achieve the transition to renewable energy, which is essential for limiting global warming to 1.5°C, targeted investments in expanding renewable electricity generation are crucial. Therefore, we are exploring opportunities for new solar and wind power projects across our entire portfolio.

Regarding our portfolio in the United Kingdom, feasibility studies are underway in several of our hotels for the construction of solar farms on rooftops, carports, and adjacent land, with promising candidates for pilot projects already identified. We are also exploring the potential for on-site wind power generation at these hotel locations. We will provide further updates on the progress of these evaluations in our next ESG report.



## Integration of Our Strategy

Since 2022, we have been using a tool to implement our "Net Zero" concept (integrated with the Carbon Risk Real Estate Monitor) to adhere to decarbonisation pathways for our properties that align with a 1.5 °C scenario (in line with the Paris Agreement). This has clearly shown us which assets may be at risk in the near future and is of great value, as the information also provides a better understanding of why certain assets have higher intensity rates, whether additional CapEx is required, or whether this is due to tenant behaviour or even data collection issues. These models are regularly reviewed to monitor the risk of stranded assets using the latest data and models.

Improvement opportunities are identified and prioritised by utilising this net-zero pathway and then integrated into ESG action plans at the asset level. We aim to initiate the use of a cloud-based platform to enable better data management and to track ESG initiatives within a unified system.

By linking this platform with our data monitoring processes, we will leverage high-quality, asset-specific information to track and advance our strategy for achieving net zero across the entire portfolio. A key benefit of this transformation of our data systems will be the ability to report the energy consumption and emissions of the entire property. Further details on our data coverage and quality can be found in the data tables at the end of this report.



# CIRCULAR ECONOMY

## Resources & Circular Economy

The use of resources must be critically examined, particularly in regard to the waste of raw materials within an economic system. Upstream processes, such as raw material extraction, processing, and transportation, consume significant amounts of energy and also have a negative impact on the environment. This includes not only the emission of greenhouse gases within the supply chain but also the generation of waste and pollutants, which contribute to the destruction of ecosystems and the overstraining of planetary boundaries.

A sustainable approach to critical and scarce resources — such as waste and water — requires not only technological innovations but also a profound cultural shift towards resource-efficient and environmentally friendly practices. Together, these changes are essential for fostering a sustainable future.

## Transition to a Circular Economy

We are committed to transitioning to a circular economy to minimise waste and conserve valuable natural resources. Our goal is to eliminate landfill waste wherever possible, encouraging our tenants to reuse and recycle, and reduce the use of plastics.



# WASTE MANAGEMENT

## Elimination of Landfill Waste

Our internal waste management policy promotes a culture of continuous improvement as we work towards achieving zero landfill waste. In 2023, we recorded significant reductions in waste disposal at our locations in Germany and the United Kingdom.

In **Germany**, the waste volume increased by 9.01% to 1,124.94 tonnes, with the proportion of waste disposed by composting and anaerobic digestion decreasing by 161.37% to 18,212.00 tonnes (1.79% of total waste), compared to 47.6 tonnes (4.7%) in 2022. The amount of recycled waste increased significantly by 47.30% to 386.7 tonnes, now covering 35.12% of total waste, compared to 19.9% in the previous year.

In the **United Kingdom**, the total amount of waste disposed increased by 28.79% to 4,810.00 t. The proportion of recycled waste increased by 269.96% to 1,532 t (31.85% of total waste), while the amount of waste disposed of through incineration with energy recovery increased by 77.89% to 3,277 tonnes, representing 68.13% of total waste. The proportion of waste classified as "Unknown" is decreased to 0 (0.00% of total waste).

Overall, the total waste volume in both countries increased by 25.04% to 5,934.94 tonnes, which may be attributed to the return of users to offices and the resurgence of travel after the pandemic. The proportion of recycled waste increased overall by 67.80% to 32.43%, which equates to 1,918.7t tonnes, while incineration with energy recovery remained the largest proportion, though it increase to 3,996.9 tonnes, or 67.26%. The proportion of unknown waste (or MRF) was reduced to 0 tonnes, compared to 190.6 tonnes in 2022.

For 2024, we aim to reduce waste and maintain or ideally increase the proportion of recycled or recovered waste to nearly 80%, in order to make waste management more sustainable and circular.

### *Promoting Reuse and Recycling Among Our Tenants*

In selected properties, we offer separate waste collection, including mixed waste, organic waste, fluorescent tubes, and electronic waste. We plan to continuously inform our tenants about proper waste disposal and recycling through updated signage, training, and regular waste audits.

### *Initiatives in Our UK Portfolio*

The operators of our hotels in the United Kingdom have implemented various waste management policies, including:

- Recycling of glass and bottles
- Collection and recycling of cardboard
- Reuse of paper for notes and other purposes, or shredding for recycling
- Recycling of used cooking oils
- Use of chlorine-free office supplies and promotional materials from sustainable sources

Additionally, guests at our hotels have access to on-site recycling facilities.

### *Drastic Reduction of Plastics*

We are aware of the significant threat posed by plastic pollution and are committed to minimising plastic waste in all areas of our operations. We are working to assess and continuously reduce our use of plastics.





## Performance Measures: Waste

| COUNTRY | FACTOR | DISPOSAL METHOD                        | 2023                   |                         | 2022                   |                         |
|---------|--------|--|------------------------|-------------------------|------------------------|-------------------------|
|         |        |  | ABSOLUTE WEIGHT (tons) | PROPORTION OF TOTAL [%] | ABSOLUTE WEIGHT (tons) | PROPORTION OF TOTAL [%] |
| GER     | Waste  | Compost & Anaerobic Digestion          | 18.212 t               | 1.79%                   | 47.6 t                 | 4.7%                    |
|         |        | Incineration (with energy recovery)    | 719.984 t              | 63.09%                  | 767.0 t                | 74.9%                   |
|         |        | Incineration (without energy recovery) | -                      | 0.00%                   | 5.2 t                  | 0.5%                    |
|         |        | Recycled                               | 386.743 t              | 35.12%                  | 203.8 t                | 19.9%                   |
|         |        | <b>Total</b>                           | <b>1,124.94 t</b>      | <b>100.00%</b>          | <b>1,023.6 t</b>       | <b>100.0%</b>           |
| UK      | Waste  | Compost & Anaerobic Digestion          | -                      | 0.00%                   | 268.2 t                | 7.8%                    |
|         |        | Incineration (with energy recovery)    | 3,277.0 t              | 68.13%                  | 2,552.4 t              | 74.5%                   |
|         |        | Recycled                               | 1,532.0 t              | 31.85%                  | 414.1 t                | 12.1%                   |
|         |        | Unknown                                | -                      | 0.00%                   | 190.6 t                | 5.6%                    |
|         |        | <b>Total</b>                           | <b>4,809.0 t</b>       | <b>100.00%</b>          | <b>3,425.3 t</b>       | <b>100.0%</b>           |
| TOTAL   | Waste  | Compost & Anaerobic Digestion          | 18.212 t               | 0.31%                   | 315.8 t                | 7.1%                    |
|         |        | Incineration (with energy recovery)    | 3,996.984 t            | 67.26%                  | 3,319.4 t              | 74.6%                   |
|         |        | Incineration (without energy recovery) | -                      | 0.00%                   | 5.2 t                  | 0.1%                    |
|         |        | Recycled                               | 1,918.743 t            | 32.43%                  | 617.9 t                | 13.9%                   |
|         |        | Unknown                                | -                      | 0.00%                   | 190.6 t                | 4.3%                    |
|         |        | <b>Total</b>                           | <b>5,933.94 t</b>      | <b>100.00%</b>          | <b>4,448.9 t</b>       | <b>100.0%</b>           |



# DRINKING WATER DEMAND AND WASTEWATER GENERATION

## Resource-Efficient Water Usage

We are committed to resource-efficient water usage to minimise our water consumption and protect valuable water resources. Our goal is to reduce water usage in our buildings, encourage our tenants to use water efficiently, and implement innovative water management solutions.

## Reducing Water Consumption

Our water management strategy promotes continuous improvements as we work towards a significant reduction in water consumption. In 2023, we achieved substantial progress in reducing our water usage compared to previous years.

In the United Kingdom, water consumption amounted to 875,279.84 liters across a total area of 448,006 m<sup>2</sup>, representing a 1.85% increase compared to the 859,050 liters in 2022. Consumption intensity remains at 1.95 liters per m<sup>2</sup>. The estimated share of water consumption was adjusted to 0.00%, down from 23.5%

in 2022, indicating a refinement in our data collection processes.

Similarly, in Germany, water consumption amounted to 602,915.63 m<sup>3</sup> in 2023, with a consumption intensity of 1.1 m<sup>3</sup>/m<sup>2</sup>. The estimated share of water consumption was also adjusted to 0.00%, reflecting a comparable refinement in data accuracy.

These developments underscore our successful efforts to reduce water consumption and intensity across our properties, aligning with our broader sustainability goals. By refining our data collection processes, we've gained clearer insights into our usage patterns, enabling us to make more informed decisions and achieve measurable progress.

For 2024, we are committed to further reducing water consumption and wastewater generation. Alongside our water management system, we will implement targeted measures aimed at optimizing water use and enhancing the sustainability of our operations.

## Performance Measures: Water

| COUNTRY | FACTOR | METRIC                                  | 2023                                |                   | 2022                                |                   |
|---------|--------|---|-------------------------------------|-------------------|-------------------------------------|-------------------|
|         |        |   | VALUE                               | NUMBER OF OBJECTS | VALUE                               | NUMBER OF OBJECTS |
| UK      | Water  | Consumption (m <sup>3</sup> )           | 875,279.84 m <sup>3</sup>           | 52/53             | 859,050.00 m <sup>3</sup>           | 52/52             |
|         |        | Proportion estimated                    | 0.00 %                              |                   | 23.5%                               |                   |
|         |        | Consumption Intensity (m <sup>3</sup> ) | 1.95 m <sup>3</sup> /m <sup>2</sup> | 52/53             | 1.95 m <sup>3</sup> /m <sup>2</sup> | 52/52             |
| GER     | Water  | Consumption (m <sup>3</sup> )           | 602,915.63 m <sup>3</sup>           | 47/49*            | -                                   | -                 |
|         |        | Proportion estimated                    | 0.00 %                              |                   | -                                   | -                 |
|         |        | Consumption Intensity (m <sup>3</sup> ) | 1.1 m <sup>3</sup> /m <sup>2</sup>  | 47/49*            | -                                   | -                 |

\* Includes assets held for sale.

## Measures for Resource-Efficient Water Usage



|   |   |
|---|---|
| ▶ | <b>OPTIMISING WATER CONSUMPTION</b> <p>We are committed to the responsible use of water resources to minimise our environmental footprint and conserve valuable water resources. Our goal is to reduce water consumption through innovative technologies and efficient processes, thereby making a sustainable contribution to water conservation.</p>  |
| ▶ | <b>PROMOTING WATER EFFICIENCY AMONG OUR TENANTS</b> <p>In selected properties, we offer water-saving equipment such as efficient fixtures and rainwater harvesting systems. We plan to continuously inform our tenants about the importance of water efficiency through targeted information and updates to our equipment, as well as regular reviews of water usage.</p>   |
| ▶ | <b>INITIATIVES IN OUR GERMAN PORTFOLIO</b> <p>The operators of our properties in Germany have implemented various water management policies, including:</p> <ul style="list-style-type: none"><li>■ Use of water-saving fixtures and equipment</li><li>■ Implementation of rainwater harvesting systems (rainwater and greywater use)</li><li>■ Introduction of smart irrigation systems</li><li>■ Regular maintenance to prevent leaks</li></ul> |
| ▶ | <b>PREVENTING WATER WASTE</b> <p>We recognise the significant importance of water conservation and are committed to minimising water waste in all areas of our operations. We work to regularly assess our water consumption data and continuously implement measures to reduce water waste.</p>  |



## COMBATING AIR POLLUTION

Maintaining good air quality is crucial for the health of our employees, tenants, and communities. To reduce pollutant emissions from combustion engines, we are

installing electric vehicle charging stations at all suitable locations. In the near future we plan to monitor air quality at a particularly vulnerable urban site.

| TARGET FOR COMBATING AIR POLLUTION                                 | PROGRESS & UPDATES  |
|--|---|
| <b>Increasing the Number of Electric Vehicle Charging Stations</b> | At present, a portion of our fleet has been transitioned to fully electric and hybrid vehicles. Our locations are equipped with dedicated charging stations to facilitate efficient recharging. This effort underscores our dedication to advancing eco-friendly mobility options as part of our broader sustainability strategy. |





# SUPPORTING AND PROMOTING BIODIVERSITY

## Urgency of Action

We are committed to protecting and promoting biodiversity to preserve natural ecosystems and safeguard valuable habitats. Recognising the strong connections between biodiversity loss, climate change, water consumption, and pandemics, we understand the urgency of taking active measures.

## Environmental Management System

Our internal management approach to monitor all relevant processes helps us manage the impacts on biodiversity. We monitor on-site incidents or risks related to wildlife and integrate native species and pollinator-friendly plants into our landscaping wherever possible.

## Goals and Measures

Our goal is to support local flora and fauna through targeted actions, promote sustainable management practices, and encourage our tenants to adopt environmentally friendly and water conscious landscaping practices. This includes the maintenance and restoration of green spaces and the avoidance of environmentally harmful activities. We encourage our tenants to also commit to biodiversity protection and support initiatives that contribute to the preservation of natural diversity.

## Continuous Improvement

We strive to continuously expand and adapt our biodiversity promotion measures to sustainably improve habitats for plants and animals. Our environmental strategy aims to protect and strengthen natural ecosystems, thereby making a positive contribution to the conservation of biodiversity.

### BIODIVERSITY MANAGEMENT

- Supporting a healthy natural environment to prevent biodiversity loss
- Recognising the strong connections between biodiversity loss, climate change, water consumption, and pandemics
- Utilising an Environmental Management System (EMS) to manage biodiversity impacts
- Monitoring wildlife-related incidents or risks on-site
- Incorporating native species and pollinator-friendly plants into landscaping where possible



# MANAGING ENVIRONMENTAL IMPACTS

Our goal is to act as a role model in managing environmental risks and reducing our ecological impacts. We make the greatest contribution by strengthening resilience to the effects of climate change through strategic actions, making our portfolios more resilient to climate risks, and promoting a circular economy. At the same time, we place great emphasis on minimising our impacts on air quality, biodiversity, and water consumption.

Our ESG policy and internal management system for ESG is based on the ISO 14001 standard and a more sophisticated EMS will soon be implemented in due

course, form the foundation of our approach to assessing risks and impacts. These systems promote continuous improvement and ensure compliance with relevant regulations.

## Environmental Risk Management

To oversee our environmental risk management, we have established an ESG committee led by our ESG officer and composed of senior executives from across the company. This committee regularly reports to the board.

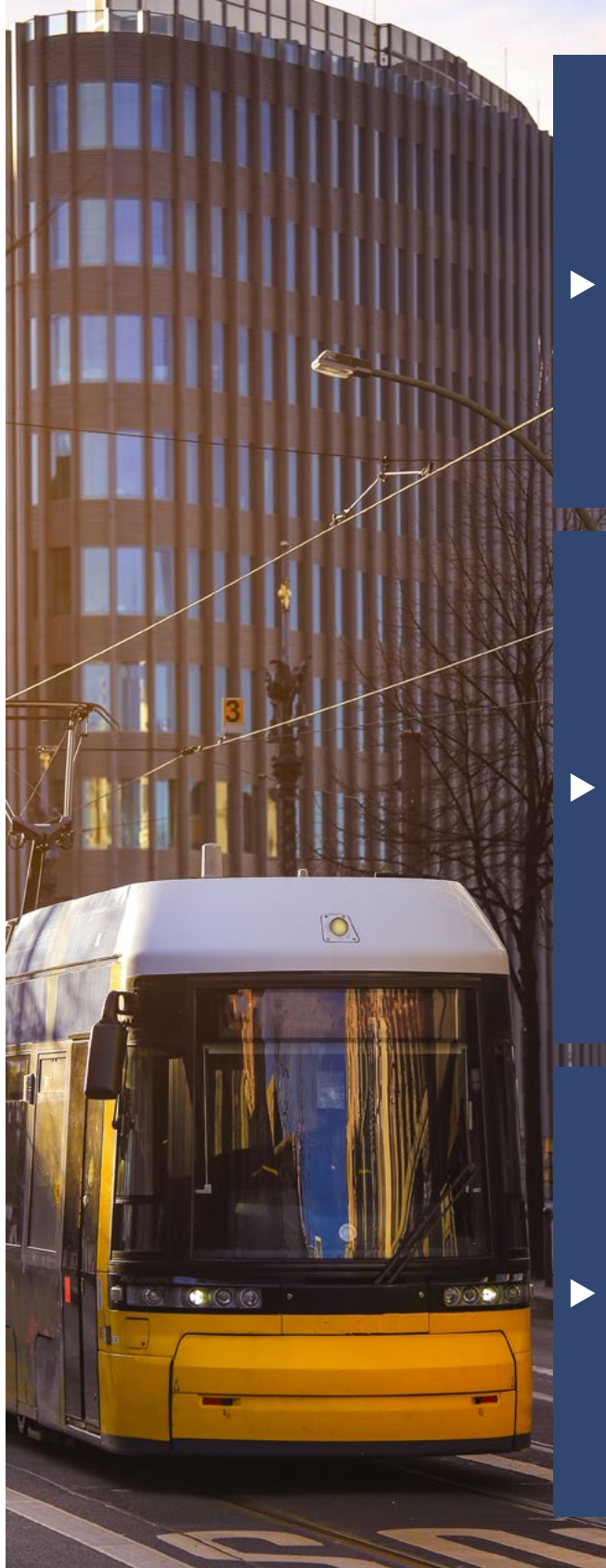
| TARGET FOR COMBATING AIR POLLUTION                                      | PROGRESS & UPDATES  |
|---|---|
| <b>ENVIRONMENTAL &amp; BUILDING CERTIFICATION</b>                       | <p>We have expressed our intention to explore obtaining green building certifications such as LEED, BREEAM, or DGNB in the near future.</p> <p>Achieving recognised building management and environmental certifications such as LEED, BREEAM, or DGNB for all existing and renovated buildings within the next years, as well as recognition of our materials (e.g., EPD, green electricity certificates).</p> |
| <b>MONITORING MANDATORY CERTIFICATIONS</b>                              | <p>We obtain mandatory energy certificates for all our assets in Germany and the United Kingdom and monitor these for compliance with any minimum standard regulations (e.g., MEES).</p>  |
| <b>DEVELOPMENT OF AN INTERNAL ENVIRONMENTAL MANAGEMENT SYSTEM (EMS)</b> | <p>We have continued the development of our internal Environmental Management System (EMS) together with an external consultant. This EMS follows the ISO 14001 standard – Plan, Do, Check, Act cycle – to promote continuous improvement within a formal framework. This EMS will be embedded throughout our organisation and will form the foundation for our ESG commitments.</p>                            |



# MOBILITY

The mobility transition is a key factor in achieving climate goals. To make our employees' commutes more

environmentally friendly, we are pursuing various approaches:



## PROMOTION OF ELECTRIC MOBILITY

Electric and hybrid mobility are globally recognised as the keys to climate-friendly transportation and innovation. The operation of electric and hybrid vehicles, especially when paired with electricity from renewable energy sources, results in significantly lower CO<sub>2</sub> emissions. Several of our fleet vehicles are already fully electric or equipped with hybrid engines, and the charging stations at our locations ensure a seamless charging process. By transitioning our fleets, we have already established a solid foundation, which we aim to further expand.

## PROMOTION OF PUBLIC TRANSPORTATION

Air travel is the most climate-damaging way to travel. While long-distance journeys often leave no alternative to flying, there are options for shorter distances. Wherever possible, we avoid business flights, as it is not just CO<sub>2</sub> emissions that impact the climate. Substances such as nitrogen oxides, aerosols, and water vapor, produced during kerosene combustion, also contribute to global warming. We encourage our employees to use trains. Additionally, we have introduced a corporate subscription for public transportation, available for all employees. This not only enables a more environmentally friendly commute but also promotes the use of public transport in daily life.

## HOME OFFICE AND DIGITAL MEETINGS

To reduce the need for commuting, we promote flexible working models such as home office and remote work. By increasing the use of digital communication tools and virtual meetings, many business trips can be avoided, benefiting not only the environment but also improving our employees' work-life balance. These measures demonstrate our commitment to a sustainable future and actively contribute to shaping the mobility transition. Our goal is to further reduce CO<sub>2</sub> emissions through these diverse approaches and to make a positive impact on climate protection.



## SUSTAINABLE LOCATIONS

A sustainable workplace significantly contributes to reducing environmental impacts. By promoting eco-friendly practices and using resources efficiently, we can greatly reduce our company's ecological footprint. This not only involves reducing energy consumption and waste but also fostering a culture of environmental awareness among our employees.

The greatest levers that VIVION can use to control its environmental impact lie within its portfolio. However, conscious sustainability practices can also bring about change at our office locations. These tools include awareness campaigns as well as analyses and improvement suggestions for the locations. This encompasses not only reducing energy consumption and waste but also fostering a culture of environmental consciousness among employees. We believe that even small measures can have a positive impact, encouraging sustainable thinking in other areas as well.

A sustainable workplace is not only important for environmental reasons but also has numerous positive effects on employee well-being and company efficiency. A mindful approach to resources and a sustainable corporate culture can yield significant results. We believe that even small actions can have a major positive impact. Whether it's turning off lights when not needed, using reusable coffee cups, or separating waste—every action counts. These small steps add up to significant progress and promote sustainable thinking and behavior.



A sustainable location can also reduce operating costs. By implementing energy-saving measures, such as LED lighting, intelligent heating and cooling systems, and the use of renewable energy, substantial savings on energy costs can be achieved. In 2024, we plan to test the digitalisation of heating in our offices, which will lead to a 30-50% reduction in heating energy during the winter.

Our printers are set to require approval before printing, meaning that an employee must physically go to the printer to release the print job. Otherwise, the print job is canceled after a few hours. This measure significantly reduces unnecessary printing and helps lower our paper consumption. Thanks to our extensive digitalisation efforts, we already have a low volume of printouts.

These measures are another step towards sustainable and environmentally friendly corporate management.







## SOCIAL INITIATIVES

## SOCIAL RESPONSIBILITY

At VIVION, responsible business practices extend beyond environmental considerations to include the active fulfillment of our social responsibilities, ensuring that our actions positively impact society. Within our direct sphere of influence, fostering a culture of fairness and respect for our employees is paramount. Our workforce is not only the backbone of our company but also a critical driver of our long-term success and ongoing positive evolution. We are committed to nurturing a corporate culture built on mutual respect, appreciation, and equal opportunity, as these values are essential for achieving our shared goals and cultivating a motivated and engaged team.

As a real estate company, we recognize the significant influence we have on local communities and neighboring areas. Through our assets, we contribute meaningfully to the enhancement of quality of life within society. We are acutely aware that every real estate development alters and impacts the living environment of individuals. We take this responsibility seriously, acting with the utmost care and deliberation. Our objective is to generate positive outcomes for the surrounding areas through sustainable and well-con-

sidered projects, thereby enhancing the quality of life for residents. We strive to engage in constructive and transparent dialogue with tenants, neighbors, and relevant stakeholders in the vicinity of our properties. Through such engagement and inclusion, we can ensure that our projects not only meet current needs but also exert a lasting, positive influence on the community.

Our philosophy of responsible business practices is reflected in every facet of our operations—from planning and development to execution and maintenance of our properties. By integrating ecological and social considerations into our business practices, we aim not only to achieve economic success but also to make a sustainable and positive contribution to society.

In this context, we have defined the following focus areas:

- Attractive Employer
- Diversity and Equal Opportunity
- Tenant Retention



## ATTRACTIVE EMPLOYER

VIVION's success is fundamentally driven by our talented and dedicated employees, who embrace personal responsibility and play an active role in the company's achievements. We are committed to supporting our employees in reaching their individual career aspirations by offering a broad spectrum of opportunities for both personal and professional growth, along with a host of valuable benefits. Through our core values—competence, consistency, and transparency—we foster a work environment where respect, empowerment, and motivation are integral, encouraging every individual to strive for excellence. We actively promote initiative by maintaining flat hierarchies and streamlining decision-making processes.



For any company, the inability to attract, develop, and retain skilled and managerial talent poses a significant risk. A deficiency in training opportunities can diminish employee motivation and productivity, consequently leading to higher turnover and escalating recruitment costs, ultimately resulting in a loss of institutional knowledge. In light of the current skilled labor shortage, establishing a strong position as an attractive employer is of paramount importance. This involves adhering to national employment and working condition laws as a baseline, while also considering additional frameworks, such as the recommendations of the International Labour Organization. Employers bear the responsibility of ensuring respect for human rights, rejecting child and forced labor, upholding the

freedom of association, and influencing factors such as fair compensation, safe and healthy working environments, and the eradication of discrimination in all forms. Failing to provide attractive working conditions can not only damage a company's reputation but also deter both emerging talent and experienced professionals, severely limiting access to the labor market. Furthermore, negative experiences with employers are increasingly amplified on online review platforms and social media, which can undermine a company's market position and lead to the loss of potential and top-tier talent to competitors.

In creating our work environment, we adhere to the strict national and international laws and regulations governing the markets in which we operate. Beyond this, we align our practices with internationally recognized standards, including the International Labour Organization (ILO) Governing Body Agreement, the OECD Guidelines for Multinational Enterprises, the United Nations Global Compact, and the UN Agenda 2030 with its 17 Sustainable Development Goals (SDGs). Our commitment to these principles extends far beyond mere compliance with minimum standards and is deeply embedded in our codes of conduct, including our Code of Conduct for Business Partners.

### Modern Workplace & Community

Open communication is a cornerstone of VIVION's corporate culture and a critical element of our appeal as an employer. Across all our locations, we cultivate environments that promote collaboration, creativity, health, and high performance. Our offices, for example, are equipped with communal spaces, including break rooms and kitchens, designed for both meal preparation and social interaction. We have also established open-plan areas that teams can use as multifunctional workspaces, along with smaller office spaces that provide a retreat for 1 to 4 employees. Regular events, such as summer festivals and Christmas parties, both at the company-wide level and tailored to specific locations, serve to strengthen team cohesion. Additionally, at all our locations, employees have access to complimentary soft drinks and water, provided through reusable bottles or water dispensers, as well as fresh fruit, available twice a week.





## Work-Life Balance

We are strongly committed to enabling our employees to maintain a fair (or equitable) work-life balance, ensuring the compatibility of professional and personal life. To this end, we offer flexible working hours and part-time models. Our flexitime window from Monday to Friday between 7:30 AM and 8:00 PM is tied to core working hours from 9:00 AM to 4:00 PM, whether in the office or working from home. We provide all employees with the necessary hardware so they can perform their tasks professionally outside of our office locations. Employees receive statutory special leave and can also work part-time. In the event of specific personal reasons preventing them from working, employees are entitled to special leave. All employees also have a legal right to parental leave.

## Training and Development

Targeted training and development programs are an integral part of VIVION's personnel development strategy. The foundation for this is the annual employee review, during which both focus areas and specific training and development measures are agreed upon with the respective supervisor. Additionally, VIVION actively offers a wide range of training opportunities—from internal workshops to external training programs.

Depending on the situation, these are either partially funded by VIVION, or we often cover the training costs in full. At the same time, we encourage and support employees in their self-directed professional development.





## DIVERSITY & EQUAL OPPORTUNITY

A discrimination-free work environment and a culture of mutual respect and appreciation among all employees form the foundation for equal opportunity and diversity in a company. Companies that fail to implement measures to promote diversity and equal opportunity risk reputational damage and, in the worst case, legal consequences. In 2022, the EU introduced a gender quota for governing bodies: Starting in 2026, 40% of supervisory board positions or 33% of board and supervisory board positions must be filled by the underrepresented gender. VIVION is already able to report a women's quota on the Boards:

- Proportion of women within the boards
  - Board of Managers: 16,67%  
(without non-executive independent managers)
  - Board of Directors (Senior Management):  
no women (0,00%)
  - Advisory Board: 33.3%
- Proportion of women in management positions: 35.48%
- Proportion of women in the entire group: 42%

As part of our commitment to gender equality and transparency, we conducted an analysis of the gender pay gap in our company in 2023. This analysis is part of our comprehensive ESG strategy, which aims to create fair and inclusive working conditions. Our investigation revealed that there are no significant pay disparities between genders for the same roles, qualifications, and levels of seniority in our company.

Failing to create a discrimination-free environment can result in poorer market positioning and the loss of business partners and customers. Additionally, the potential for innovation is lost when the personal backgrounds of employees (e.g., migration background, nationality, family circumstances) are not taken into account. Lack of equal treatment in the workplace can lead to lower motivation and, consequently, higher turnover, which results in additional costs and time spent on replacements. Fair treatment of our employees and a culture of mutual respect and appreciation are a matter of course for us. VIVION treats all employees equally—regardless of ethnic, national, or social origin, disabilities, sexual orientation, political or religious beliefs, gender, marital status, age, economic status, or any other status. We resolutely oppose any form of discrimination.

Diversity is of high value to us. VIVION leverages the full potential of the labor market and fosters innovation through the inclusion of diverse backgrounds and perspectives. Therefore, we actively promote the employment of people of different ages and encourage their exchange of experiences ("buddy system") while working to increase the proportion of women in the organisation. In 2023, our focus was particularly on raising awareness within the organisation. As part of the onboarding process for every new employee, the CEO clearly communicates the company's anti-discrimination policies. Specialized training sessions reinforce these principles and are designed to keep all employees aware and engaged throughout the year.





## TENANT RETENTION

For us, tenant satisfaction is of the highest priority. We place great importance on maintaining an open and dynamic communication channel with each of our tenants.

### Engagement with Tenants

The needs, wishes, and concerns of our tenants are our daily business and are accordingly prioritised. We always welcome suggestions, initiatives, inquiries, and feedback from tenants, as we believe these are important factors in our operations. Regular reviews are conducted to monitor the proper implementation of decisions derived from tenant suggestions.

To best manage our tenants' needs, we work with specialised property management companies that have adopted our corporate ethics and maintain direct contact with tenants to ensure that any issues are promptly addressed. Our dedicated managers and

tenants meet regularly to ensure optimal service. In addition to daily contact, all our tenants have the opportunity to engage with us and provide feedback at biannual "Jour Fixe" meetings. The property management team – our "on-the-ground" team – is on-site at least monthly, enabling us to act quickly on issues or concerns and implement timely solutions and measures.

In the United Kingdom, although we do not directly operate our hotel properties, it remains essential for us to oversee and monitor these properties regarding these issues. We have engaged local partners for hotel management to exercise better control over customer satisfaction and needs. These property managers collect guest feedback at the time of their departure. Additionally, our hotel operators place great importance on feedback from third-party websites such as Booking.com or Hotels.com, which is regularly reviewed.

## Health and Safety of VIVION's Tenants

A crucial aspect of our tenant satisfaction methodology is ensuring their safety and well-being. We continuously maintain and update all health and safety policies to adhere to best practices. Our goal is to ensure that all properties can be used without risk to health and safety. To achieve this, we strive for customised property management, regular safety inspections, investments in maintenance, and compliance with all applicable regulations.

To ensure a high level of care in health and safety matters, we have implemented numerous health and safety policies for all our properties, such as documented regular fire safety inspections, which include checks on proper fire alarm systems and extinguishing devices. These policies have been updated and modified over the last three years to align with industry best practices, ensuring a safe environment for all parties involved, especially our tenants.

For our hotels in the United Kingdom, our local property management partners have established a Health

and Safety Committee that meets quarterly. These properties are also subject to independent health and safety inspections twice a year by Saeker Consulting Ltd and use the online portal provided by Saeker to continuously manage portfolio compliance. To ensure the highest standards, the hotel brands IHG, Hilton, and Best Western provide all employees with tools and training support.

Other important topics on our agenda include incident reporting policies, electrical safety, gas safety, first aid policies, and food safety. We recognise that incidents in health and safety matters could damage the trust that our tenants place in us. Therefore, we closely monitor health and safety risks, and all incidents and events must be reported and addressed as a top priority. To ensure this special care, we have appointed professional employees of our property management partners as health and safety officers for each of our properties. In 2022, no incidents of non-compliance with health and safety regulations were reported.







# GOVERNANCE INITIATIVES

## GOVERNANCE

Effective corporate governance is increasingly shaping the perception and evaluation of companies, alongside environmental and social considerations. For us, effective corporate governance means being recognized as a trustworthy and reliable partner by our stakeholders. This forms the foundation of our business success.

As an active member of society, we embrace our responsibilities and have identified the following priorities through our materiality analysis:

- Corporate Governance & Compliance
- Sustainable Procurement
- Innovation & Technology

Responsible corporate governance requires adherence to regulatory requirements as well as voluntarily adopted standards. The acquisition, construction, and management of real estate contribute to societal benefits and can enhance quality of life. However, these activities also involve the consumption of natural resources and the potential for pollutant emissions, which increases scrutiny from (local) authorities. The proliferation of new regulations, coupled with penal sanctions and more stringent enforcement, has amplified the importance of compliance and compliance management systems internationally. Legal violations represent a significant risk for businesses and

carry personal consequences for employees. Companies face the risk of fines, penalties, and civil claims from affected parties. Furthermore, non-compliance can lead to exclusion from tenders and reputational damage. Key aspects of real estate development include the proper awarding of contracts, the prevention of corruption and bribery, the maintenance of proper working conditions, the tax behavior of contracted companies, and the establishment of transparent internal policies and codes of conduct. Companies that fail to comply with environmental standards or ethical norms are increasingly penalized by financial markets, which can negatively impact stock prices and financial stability. Upcoming regulations, such as the Green Claims Directive, will obligate companies in the EU to transparent reporting, which must be continuously monitored and expanded. Of particular note is the issue of human rights throughout the value chain, which has gained significant momentum within the EU in recent years. In addition to various sustainable finance regulations and the upcoming Corporate Sustainability Reporting Directive (CSRD), 2023 saw the agreement on the Corporate Sustainability Due Diligence Directive (CSDDD), which imposes comprehensive due diligence obligations along the supply chain. In Germany, the Supply Chain Due Diligence Act (LkSG) has been in effect since the beginning of 2023, and the Whistleblower Protection Act (HinSchG) has been in force since mid-2023.



# CORPORATE GOVERNANCE & COMPLIANCE

## Organisational Structure

VIVION operates under a unitary governance structure where the Board of Managers makes all final decisions. The Board of Managers is supported by the Advisory Board, which consists of experienced professionals from the real estate sector, as well as by various committees:

- Audit Committee
- Risk Committee
- Investment Committee
- ESG Committee



### **Board of Managers**

The members of the Board of Managers share responsibility for the management and continuity of the company and its affiliated entities. The Board focuses on the long-term value creation of the company, taking into account the interests of relevant stakeholders.

The Board of Managers is composed of a CEO, a CFO, Class A Managers, Class B Managers, Class C Managers, as well as other officials and members who may be appointed. The distribution of responsibilities is determined through mutual agreement. The Board appoints a Chairman from among its members. In line with Luxembourg Corporate Governance practices, the roles of Chairman of the Board and CEO may not be held by the same individual.

The duties of the CEO, CFO, and the Chairman of the Board are outlined in the company's Governance

Charter. The CEO is responsible for managing the company's operations and subsidiaries, as well as for formulating, communicating, and executing the company's strategy. The CFO oversees the company's financial strategy and financial reporting. The Chairman of the Board directs and monitors the progress of meetings and the decision-making process within the Board of Managers.

Board members are appointed in accordance with the company's articles of association and serve indefinitely. At least once a year, the Board reviews its own performance, composition, and internal regulations to ensure it operates with maximum efficiency. These results and any recommendations are discussed with the Advisory Board.

Additional provisions for the Board of Managers and the committees are outlined in VIVION's Governance Charter. The Charter defines the rules and regulations governing the Board of Managers and its committees and has been developed in consideration of the "Ten Principles of Corporate Governance" of the Luxembourg Stock Exchange.

### **Advisory Board**

The Advisory Board provides the Board of Managers with expert advice and professional support. While the Advisory Board does not have statutory or decision-making powers, it serves as a crucial source of guidance for the Board of Managers on key strategic issues, including risk management, corporate strategy, and standards of corporate and social responsibility.

### **Investment Committee**

The Investment Committee is responsible for reviewing and approving all potential investments before the company enters into any transaction. The approval process includes several stages of pre-selection, due diligence, and evaluations. Reviews are conducted by the acquisition team and the Investment Committee before final approval by the Board of Managers. The Investment Committee also addresses the structure of investment management and the associated policies.



### ***Risk Committee***

The Risk Committee provides the Board of Managers with expert advice in fulfilling its oversight responsibilities. The Risk Committee advises on compliance measures, particularly by reviewing the group's risk detection procedures, the effectiveness of the risk management system, and the internal controls of the group. It also assesses the scope and effectiveness of the systems established by the Board of Managers to identify, evaluate, and monitor risks.

### ***Audit Committee***

The Audit Committee ensures the integrity of the company's financial reporting. This includes reporting to the Board of Managers on its activities, ensuring the adequacy of internal systems for financial reporting, and overseeing accounting processes and policies. The Audit Committee recommends the appointment of the external auditor to the Board of Managers and advises the Board on the review of financial statements, particularly by monitoring the independence of the appointed auditor and managing the provision of audit services.

### ***ESG Committee***

The ESG Committee facilitates the implementation, monitoring, and control of ESG performance, policies,

and initiatives within VIVION. The ESG Committee is also responsible for preparing VIVION's annual ESG report and raising awareness of all governance and sustainability issues within the company.

All committees of the Board of Managers meet at least four times a year and additionally as required by the Chairman. Upon establishment, each committee consists of 3 members appointed by the Board of Managers for a term of 3 years, with proven expertise in the relevant field. Committees review their own performance, composition, and rules of procedure at least once a year to ensure they operate with maximum efficiency. The Committee Chair will recommend to the Board any changes deemed necessary.

### ***Compliance Officer***

The Board of Managers has also appointed a Compliance Officer, who oversees all compliance-related matters for the group and advises the Board on applicable compliance laws and regulations, as well as internal policies and procedures. The group has developed a Compliance Plan, which is continuously monitored by the Compliance Officer. The Compliance Officer works closely with the Risk Committee to assist in identifying, monitoring, and assessing potential compliance risks.





## Corporate Process for Managing Conflicts of Interest

Conflicts of interest, whether arising from personal relationships or other business engagements, including those involving relatives or close associates, must be diligently avoided. Should such conflicts emerge, they must be resolved in strict accordance with legal requirements and VIVION's internal policies. These conflicts are to be addressed with full transparency and openness. All employees, including members of the Board of Managers, are mandated to adhere to and sign the Code of Conduct, which specifically outlines the management of conflicts of interest. Furthermore, our procedures for handling conflicts of interest are codified within our Code of Conduct for Business Partners.

The Board of Managers is obliged to operate in alignment with the company's best interests and in strict compliance with the company's articles of association. This obligation encompasses a fiduciary duty wherein each board member is expected to act with prudence, diligence, and a commitment to the long-term welfare of VIVION. Board members are required to execute their responsibilities with integrity, ensuring that all actions are congruent with the company's strategic objectives.

A board member is prohibited from participating in deliberations or decisions concerning any matter or transaction where there exists a direct or indirect personal interest that could conflict with the interests of the company. Any such transaction must adhere to sector-standard conditions and requires formal ap-

proval by the Board of Managers. In instances where the Board is unable to reach a decision due to these conflict-of-interest provisions, the matter is escalated to the Advisory Board for resolution.

In the event that a conflict of interest is identified involving any other employee within VIVION, this must be immediately reported to the Board of Managers. The Board will then consult with the Advisory Board to determine the appropriate course of action.

Absent prior written authorisation from the Board of Managers, VIVION employees are strictly prohibited from serving as supervisory board members, board members, or trustees in any entity other than VIVION or a VIVION-affiliated organisation where a conflict of interest may arise. This prohibition does not extend to roles within charitable, religious, public, political, or social organisations, nor to participation in educational endeavours or advisory boards related to tenancy or homeownership, provided that such engagements do not present conflicts with VIVION's interests and do not impose significant time demands.

## Networking and Partnerships

VIVION actively encourages all managerial personnel to engage in professional networking, participate in industry-specific events, and contribute to expert panels. Through the strategic dissemination of information across multiple channels, we facilitate an environment of shared learning and collective motivation, thereby striving to meet and continually exceed prevailing industry standards.

## Policy for Transactions with Related Parties

VIVION has implemented a comprehensive policy governing transactions with related parties. The responsibility for monitoring these transactions rests with the Audit Committee. Should a transaction with a related party be identified as material, outside the ordinary course of business, and not conducted under market-standard conditions, the Audit Committee is required to report this directly to the Board of Managers. The Board then deliberates on whether such a transaction should be sanctioned.

## Compliance

Our compliance strategy is rooted in an unequivocal commitment to the strict observance of all relevant laws and regulations. Within our organisation, we have instituted a series of robust compliance mechanisms designed to ensure that all practices are in full alignment with our core values and in strict adherence to applicable legal frameworks and guidelines. Among these are the European Union's Anti-Money Laundering Regulations and the General Data Protection Regulation (GDPR) (refer to the sections on "Anti-Corruption and Bribery" and "Data Protection & Information Systems").

We firmly believe that a holistic approach to compliance confers a strategic advantage and provides a

sustainable, long-term perspective for our development. Our compliance program serves as the overarching framework through which all company representatives conduct their activities and discharge their responsibilities. The Board of Managers and the Senior Management Team are deeply engaged in regulatory and compliance matters across various domains, including taxation, health and safety, anti-bribery and corruption, anti-money laundering, and beyond. We take our compliance obligations with the utmost seriousness and are committed to ensuring that full compliance with relevant regulations is consistently maintained.

As an internationally active group, the vigilant monitoring of regulatory requirements across all jurisdictions in which we operate is critical to ensuring an ethical and equitable approach to business operations, as well as compliance with health and safety standards for our tenants.

Rigorous due diligence procedures are a cornerstone of our compliance efforts. To safeguard the interests and reputation of VIVION and our stakeholders, all transaction partners and business associates are subject to evaluation by our Compliance Department.

In 2023, we recorded no instances of non-compliance with the laws and regulations applicable to our company or the group.







## Anti-Bribery & Corruption

We are committed to complying with all anti-bribery and corruption laws and regulations and minimising reputational risk in all the countries where we operate. We take these matters extremely seriously and are determined to prevent and monitor such cases by all necessary means.

A thorough and detailed compliance program, along with compliance mechanisms, has been developed to address issues such as bribery and corruption, money laundering, and political contributions within VIVION. Our compliance program clearly outlines all forms of improper payments, including those to government officials and other institutions, such as charitable donations and sponsorships intended to disguise bribery or money laundering. We adopt a zero-tolerance

approach towards all the aforementioned regulations. Our compliance program applies to all VIVION employees and enforces certain standards through our Code of Conduct for our business partners and service providers who act on behalf of VIVION. Additionally, we explicitly mention our strict zero-tolerance policy regarding bribery and corruption in our Code of Conduct.

Compliance mechanisms are implemented in each of our markets to adequately address the different local regulations concerning anti-bribery and corruption. We ensure full compliance with all relevant anti-bribery and corruption regulations and conduct regular regulatory reviews to properly monitor regulatory updates

In 2023, no allegations, suspicions, or reports of corruption were received or identified.

## Data Protection

As a leading real estate investment company, we attribute the utmost importance to the meticulous management of our stakeholders' privacy and the secure handling of sensitive information. Data protection and data security are not merely obligations but foundational pillars of our corporate responsibility towards tenants, investors, and other critical stakeholders. To this end, we have seamlessly integrated data protection and security measures into our broader corporate strategy, reinforcing our unwavering commitment to safeguarding the privacy of all those we serve.



In response to the swiftly evolving technological landscape, numerous jurisdictions have instituted comprehensive regulations governing data protection and

the use of personal data. We ensure full compliance with these regulations across all facets of our operations, adhering rigorously to the most recent legislative frameworks, including the European Union's General Data Protection Regulation (GDPR) and the UK Data Protection Act 2018. In collaboration with our local property management platforms, we uphold the highest standards of data protection, fully aligning with the GDPR and relevant national laws. We have instituted robust policies and procedures governing the handling, dissemination, and disposal of private information, to which all levels of corporate management, VIVION personnel, and our business partners are stringently required to adhere. These comprehensive policies include:

- Data Protection Policy
- Data Breach Notification Policy
- Record Retention Policy
- Confidential Data Disposal Policy

Furthermore, full compliance with all data protection and privacy regulations and policies is enshrined in our Code of Conduct, which must be signed annually by all company representatives and business partners.

We recognize that constantly evolving and improving data protection systems and assessments are necessary to provide maximum security for all stakeholders. Our management is vigilant regarding potential changes in emerging regulations, including the review of regulations when entering new markets and the adaptation of corporate information systems as required.

To ensure the secure handling of data, our Data Protection Policy governs internal data processing, procedures, and their review, covering topics such as "handling data breaches" and "providing information." Ongoing employee awareness initiatives aim to enhance understanding and ensure that data protection remains a daily priority.

For inquiries related to data protection, please contact our Data Protection Officer, Irina Parkhomchuk: [irina.parkhomchuk@lianeo.de](mailto:irina.parkhomchuk@lianeo.de)

In 2023, we did not identify or receive any substantiated complaints from external parties or confirmed complaints by the organisation regarding data protection violations or the handling of sensitive data from our business partners or regulatory authorities.



## SUSTAINABLE PROCUREMENT

With the increasing regulations across various European countries, companies are being mandated to implement corporate due diligence obligations within their supply chains, thereby enhancing transparency and traceability regarding the origin, extraction, and further processing of materials. Initially, these regulations pertain to directly upstream suppliers (general contractors, executing partners) and will gradually extend to the entire upstream supply chain (raw material extraction, material producers) and the associated working conditions and human rights situations.

Sustainable procurement by VIVION necessitates the adherence to social and environmental criteria

throughout the supply chain. Consequently, the group developed a Code of Conduct in 2023 to ensure that our business partners are also aware of their responsibilities along the supply chain and contribute to the sustainable development of the real estate industry. This code is regularly updated in response to the evolving business and regulatory environment, as well as ethical core values. All our business partners are explicitly informed about the Code of Conduct and the associated documentation requirements in the context of contracts and projects.





## Code of Conduct

Our core values, as established and determined by the Board of Managers and embodied in our Code of Conduct, are based on the following five key principles.

These five key values form the foundation of our ESG efforts, as detailed in this report. They foster credibility and ethical business practices throughout our operations and are embedded as cornerstones in VIVION's business philosophy. We are committed to upholding the highest standards of ethical conduct in all our business activities. The approach and perspective of

our company regarding ethics are defined in our Code of Conduct, which applies to all our subsidiaries, affiliated companies, directors, supervisory board members, and senior executives.

To ensure adherence to the highest standards of integrity, professionalism, and ethics, our business partners are required to comply with an additional Code of Conduct that delineates our zero-tolerance policy towards any misconduct on behalf of VIVION's business partners.



Our Code of Conduct for Business Partners is based on the following standards:

- 10 Principles of Corporate Governance of the Luxembourg Stock Exchange
- Conventions of the Governing Body of the International Labour Organization (ILO)
- OECD Guidelines for Multinational Enterprises
- United Nations Global Compact
- Sustainable Development Goals (SDGs)

The whistleblower mechanism implemented within our Code of Conduct for Business Partners allows us to gather additional information that is relevant to our integrity and to the risks arising within the company and our activities. This enables potential concerns to be addressed swiftly and effectively.

All VIVION employees are required to internalize and sign the Code of Conduct, a process that is reviewed annually. In addition to our Code of Conduct, our risk assessment procedures and compliance with risk management requirements include our Know-Your-Client (KYC) review and financial assessments for potential tenants and service providers. This procedure is conducted to safeguard our integrity and minimize the risk of entering contracts with entities that are or have been involved in bribery, corruption, money laundering, or other illegal activities.

All current and future employees at the management level are expected to fulfill their duties and responsibilities with the utmost integrity, as well as with honesty, accountability, and transparency. All VIVION employees are required to abstain from any illegal activities. VIVION adopts a strict approach to preventing conflicts of interest.

## Whistleblower System

The alignment between communicated and practiced values is a benchmark for the authenticity of a company. To ensure compliance with laws, self-imposed obligations, and internal policies, the VIVION Group offers its employees the opportunity to raise complaints. Our employees do not have to fear sanctions if they report incidents in good faith. Attempts at intimidation and

reprisals against employees who report actual or suspected misconduct will not be tolerated. Every report is impartially reviewed by the department responsible for compliance and, in cases of potential conflicts of interest, by the management.

This system is intended to report any form of potential misconduct and violations within VIVION, including but not limited to:

Violations of the core values enshrined in this policy, including:

- The Code of Conduct
- Fraud
- Corruption or bribery
- Discrimination or harassment of employees
- Violations of other specific corporate policies, the process framework, or work instructions

More generally, it is also meant to report violations of laws or regulations applicable to VIVION, particularly those mentioned in § 2 HinSchG or § 3 para. 5 HinSchG. Employees as well as third parties are encouraged to report violations. These will be subject to employment law sanctions and, where deemed appropriate, external institutions such as law enforcement agencies will be notified.

Reports should generally be submitted to the internal reporting office: [hinweisgeberschutz@lianeo.de](mailto:hinweisgeberschutz@lianeo.de)

Irina Parkhomchuk is our designated Whistleblower Reporting Officer. Employees can contact her directly if they prefer a personal interaction or have questions about the reporting procedure. Her contact details are [irina.parkhomchuk@lianeo.de](mailto:irina.parkhomchuk@lianeo.de) and +49 30 40 364 6268.

We promote a culture of transparency and accountability. Participation in reporting concerns helps us maintain our commitment to ethical practices.

In 2023, no reports were received through the internal reporting office.



## INNOVATIONS AND TECHNOLOGIES

Both internal and external digitisation activities and innovations in the field of sustainable buildings are relevant across the entire value chain. The use of smart building technologies (e.g., sensors for smart ventilation, intelligent shading) significantly contributes to energy savings and efficiency improvements, thereby reducing negative impacts on people and the environment. VIVION is particularly focused on new optimisation and control technologies as well as digitisation. These activities are central to our strategy.

### Property Level

To further advance the sustainable development of our properties and achieve our ecological, social, and corporate ethical goals, we started to implement a series of measures. These initiatives are designed to increase efficiency, conserve resources, and pursue a holistic development strategy for each of our assets.

Through the deployment of modern control and monitoring systems, we want to optimise resource consumption and thus make a significant contribution to environmental protection. The installation of smart

metering technology is scheduled to be completed by 2025. Another key initiative will be the implementation of ESG software in 2025, enabling us to conduct comprehensive analyses and develop asset-specific development strategies. This software will assist us in making informed decisions and pursuing our sustainability goals with precision.

Additionally, we have introduced digital control technologies at the property level. These technologies are designed to optimise the use of energy and water more efficiently.

By implementing these technologies and strategies, we are making a strong statement about our long-term commitment to sustainability. We are demonstrating our willingness to invest in innovative solutions to minimise our ecological footprint while simultaneously enhancing the efficiency and profitability of our properties. These initiatives are part of our ongoing commitment to sustainability and underscore our dedication to environmentally friendly and socially responsible corporate governance.



## Work Environment

Digitalisation plays a pivotal role in the modern work environment. It optimises processes, enhances efficiency, and enables a flexible and location-independent way of working. By integrating digital technologies, companies can not only increase their productivity but also operate more sustainably by conserving resources and minimising their ecological footprint. This report outlines the various digital measures and systems that our company has implemented to improve our work processes and contribute to our ecological and social responsibilities.

Many of our employee-related processes have already been digitised. A key element is our proprietary Document Management System (DMS), which allows us to digitally capture, review, compare with contracts, approve, and pay invoices. This system ensures a more efficient and transparent handling of our administrative tasks.

For document processing, we use Adobe and Fox-it, while Microsoft services are utilised for document creation. For data processing, we rely on Microsoft and DMS services. These tools and services enable seamless and efficient document processing and management.

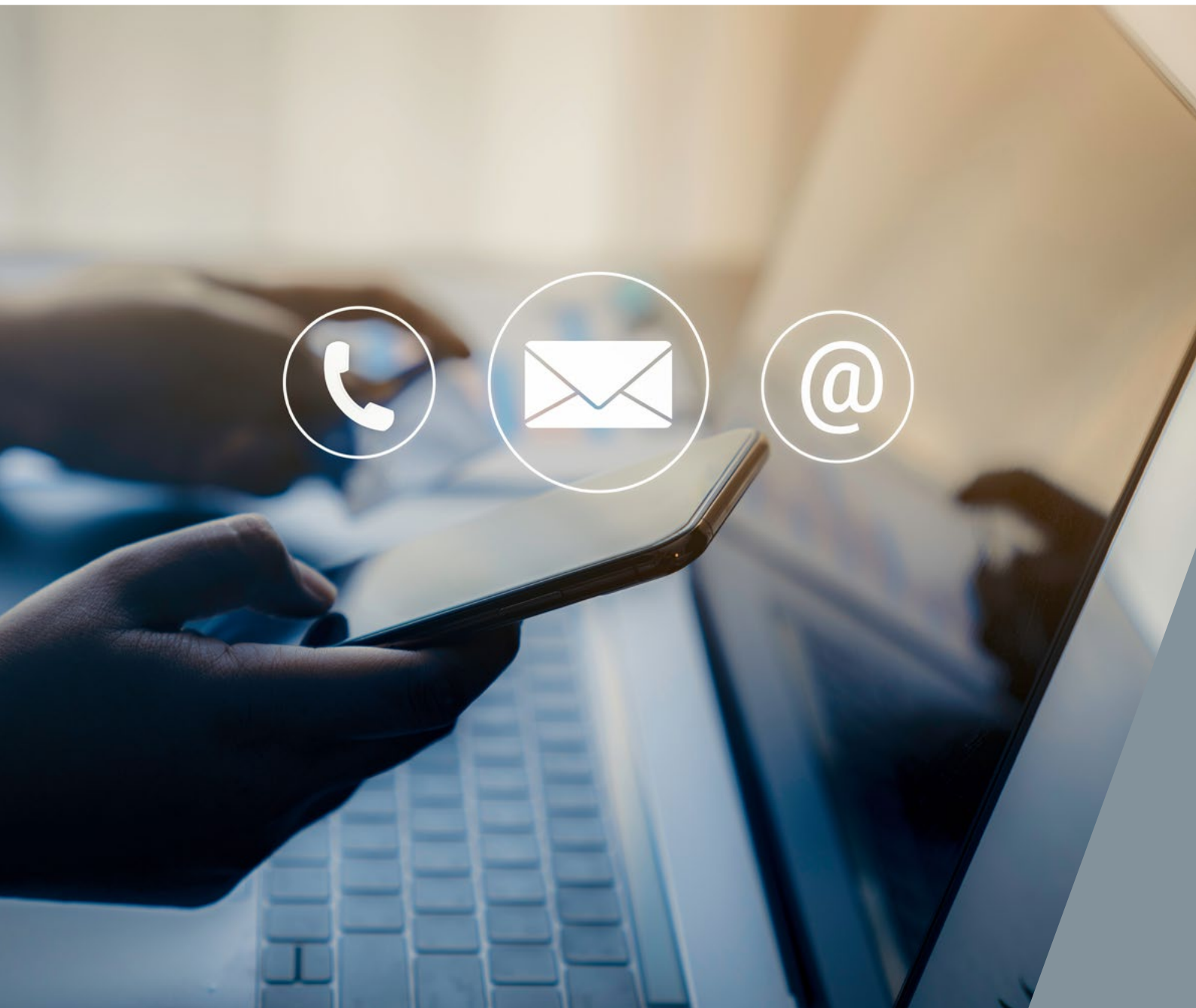
For meetings, we primarily use MS Teams, which saves us physical travel and thereby reduces CO<sub>2</sub> emissions. Each of our employees is equipped with a mobile phone or a laptop with a SIM card, enabling them to work anywhere in Europe without relying on home internet.

We use iX-Haus as our management software, which supports us in the efficient management of our properties and resources. Our digital time tracking for all employees allows us to accurately record and manage working hours. Additionally, holiday requests can be submitted and approved digitally, reducing administrative workload and increasing transparency.

In 2024, we will acquire DocuSign software to allow contracts and documents to be signed digitally in the future. This not only saves time and paper but also eliminates the need for physical presence for signatures.

Through these comprehensive digital measures and systems, we are not only creating an efficient and modern work environment but also actively contributing to the sustainability and social responsibility of our company.





## DISCLAIMER & CONTACT

## DISCLAIMER

This report is a voluntary disclosure by VIVION of figures and information concerning corporate sustainability performance and objectives.

The reporting period covers the fiscal year 2023. The subsequent report will address the reporting year 2024. The editorial deadline for the 2023 report was 15 November 2024.

This ESG report includes forward-looking statements based on VIVION's current assessments and assumptions, made to the best of its knowledge. Statements that use terms such as "expectation," "goal," or similar expressions indicate such forward-looking statements. Forward-looking statements inherently involve risks and uncertainties. The projections regarding the future development of the company represent assessments made on the basis of the information available at the time of preparing the ESG report. Should the assumptions underlying these projections not materialize, or should unforeseen or incalculable risks arise, the actual future development and results may differ from these assessments, assumptions, and projections.

Factors that could lead to such deviations include, but are not limited to, changes in the overall economic environment, modifications to legal and regulatory frameworks in Germany and the EU, and industry-specific developments. VIVION provides no warranty and accepts no liability for the future development and results aligning with the assessments and assumptions expressed in this ESG report. VIVION will not update

these forward-looking statements, whether due to changes in actual circumstances or changes in assumptions or expectations.

This ESG report has been prepared with the greatest possible care to ensure the accuracy and completeness of the information in all respects. The figures have been commercially rounded. For the sake of readability, gender-specific language forms have been omitted in this report. All person-related terms apply equally to all genders.

This report was prepared in collaboration with external consulting firms. The legal representatives of VIVION are responsible for the preparation of the report content in accordance with the reporting criteria, as well as for overseeing and ensuring compliance with ESG matters.

The responsibilities of the company's legal representatives include selecting and applying appropriate methodologies for non-financial reporting to meet the quality criteria of accuracy, balance, clarity, comparability, reliability, and timeliness. To facilitate the preparation of an ESG report, it is incumbent upon the legal representatives to establish appropriate internal controls. The data contained in the report is free from material intentional or unintentional misstatements.

The entire management of VIVION is responsible for overseeing and ensuring compliance with ESG matters.



# CONTACT

## Contact for this report:

Email: [ESG@vivion.eu](mailto:ESG@vivion.eu)

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## Contact VIVION:

Email: [IR@vivion.eu](mailto:IR@vivion.eu)

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## Imprint

Responsible for the content:  
Vivion Investments S.à r.l.



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## Independent Limited Assurance Report to the users/readers of Vivion Investments S.à.r.l 2023 ESG Report

We were engaged by the management of Vivion Investments S.à.r.l (further referred to as “**Vivion**” or “**the company**”) to provide limited assurance on the specific topics as mentioned in the table below (further referred to as “**topics**”), regarding the information presented on Vivion’s 2023 ESG Report for the year ended 31 December 2024 (further referred to as “**the report**”).

It should be noted that the assurance refers to the information and data included in the specific topics listed in the table below, regarding the reporting year only:

| Topics              |   | Unit               | 2023 data     |
|---------------------|---|--------------------|---------------|
| Emissions           | Total CO <sub>2</sub> e emissions from Scope 1 sources                          | tCO <sub>2</sub> e | 2,665.35      |
|                     | Total CO <sub>2</sub> e emissions from Scope 2 sources                          | tCO <sub>2</sub> e | 3,792.91      |
| Energy              | Total District Heating & colling / Combined Heat & Power (DH&C/CHP) consumption | kWh                | 41,962,345.11 |
|                     | Total electricity consumption   | kWh                | 69,746,161.93 |
|                     | Total gas consumption   | kWh                | 93,621,833.05 |
| Water               | Total water consumption   | m <sup>3</sup>     | 1,478,195.47  |
| Waste               | Total volume of waste   | ton                | 5,934.94      |
| Women in management | Board of Managers (without non-executive independent managers)                  | %                  | 16.67         |
|                     | Board of Directors (Senior Management)  | %                  | 0.00          |
|                     | Advisory Board  | %                  | 33.33         |

Further information and details, including the scope, content, assumptions, and estimates determined by the company regarding the topics included in the process, can be found in the relevant chapters of the company’s ESG Report.

### Conclusion

Based on the limited assurance procedures performed and the evidence we have obtained, described in this report, nothing has come to our attention to indicate that the specific topics, as mentioned in the table above, in Vivion’s 2023 ESG Report are not presented, in all material respects, in accordance with Vivion's reporting criteria.

### Basis for conclusion

Our responsibility is to provide a limited assurance engagement and to express a conclusion based on the work performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (*ISAE*) 3000, *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board (*IAASB*). The Standard requires that we comply with applicable ethical requirements, including independence requirements, and that we plan and perform the engagement to obtain limited assurance about whether the Report is free from material misstatement.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (*IESBA*).

Our firm applies International Standard on Quality Management (*ISQM*) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the *IAASB*. This standard requires the firm to design, implement and operate a system of quality management, including policies or

procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

A limited assurance engagement, regarding data and information of the specific topics in the ESG report, consists of conducting interviews, primarily of Vivion's employees responsible for the preparation of information presented in the report, and applying analytical and other evidence gathering procedures, as appropriate. These procedures included:

- examination of the topics in the Report, for the purpose of performing a limited assurance, based on public information sources, knowledge of the company business and other comparative information of similar organizations.
- interviews with management and relevant staff of Vivion to gain an understanding regarding the topics concerning corporate responsibility strategy and policies for the topics, and the implementation of these across the business.
- interviews with relevant staff at corporate and business unit level responsible for providing the information in the report.
- comparing the information regarding the topics presented in the report to corresponding information in the relevant underlying sources to determine whether all the relevant information contained in such underlying sources has been included in the report.
- where relevant, conduct interviews regarding the calculation, aggregation and methods used to collect and report the topics in the report.
- reading the information presented in the report to determine whether it is in line with our overall knowledge of, and experience with, the corporate responsibility performance of Vivion.

As part of the process of performing a limited assurance, we reviewed the changes made to the draft 2023 ESG Report of Vivion and reviewed the final version of the report to ensure that it reflects our findings.

Vivion management is responsible for:

- A. preparing and presenting the report, and the information and assertions contained within it;
- B. determining Vivion's objectives in respect of sustainable development performance and reporting;
- C. establishing and maintaining appropriate performance management and internal control systems from which the information is derived, to be free from omissions and material misstatements whether due to fraud or error;
- D. the identification of stakeholders and material issues for reporting.

Limited assurance is less than reasonable assurance. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Our limited assurance report is made solely to Vivion in accordance with the terms of our engagement. Our work has been undertaken so that we might state to Vivion those topics we have been engaged to state in this limited assurance report and for no other purpose or in any other context. We do not accept or assume responsibility to anyone other than Vivion for our work, for this limited assurance report, or for the conclusions we have reached.

19 August 2025

*Somekh Chaikin*

KPMG Somekh Chaikin

Tel Aviv, Israel



[www.vivion.eu](http://www.vivion.eu)



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