

Environmental issues

For us at KanAm Grund Group it is important that we as an international real estate company make a positive contribution to society in general and for our investors, employees and business partners in particular. More than that the fiduciary duty commanded us to take all necessary measures for the real estate that we manage to maintain and secure their value in the future. Sustainability and taking responsibility for the investment success of our investors is therefore inseparably connected.

In 2009, we started to position our properties and our company sustainably. An internal working group called "Green Building" has been established and has primarily promoted the certification of our fund properties. The rate of real estate with certificates or green ratings, measured in terms of the transaction volume, has been 49 percent since the Group was founded in 2000.



Since 2015, however, the debate about sustainability in the real estate industry has changed worldwide. With the signing of the Paris climate agreement at the end of 2015, the global community committed to limiting global warming to below 2 °C or later 1.5 °C. The European Union has divided the implementation of this overarching goal into three sub-goals. The aim is to significantly reduce greenhouse gas emissions, increase the share of renewable energies and increase energy efficiency overall.

Real estate plays an important role in the implementation of these goals because it is one of the largest energy consumption sectors. In the European Union alone, buildings account for around 40% of energy consumption and 36% of carbon emissions. Improving the energy and resourcing the consumption of buildings is therefore a key lever in the implementation of the EU climate targets.

Based on this, it can be assumed that "sustainable real estate" will be better rented or sold and thus will be more valuable because of the demand for such objects will increase steadily.

For us at KanAm Grund Group, sustainable real estate means properties that produce little or no greenhouse gases over the long term and use resources optimally. We developed a strategy for the properties we manage to in the long-term put them on a climate neutral path. Under the motto "KanAm Grund Group Goes Green" we have already developed a number of measures to put our company and our funds on an ecological path. For our mutual fund LEADING CITIES INVEST the following measures have been introduced:

- Since 2019, we bundle the energy supply for the common areas of our properties to be carbon neutral by using renewable energies. This has already enabled us to save 9,079 tons at the company level.
- Since the beginning of 2020, we also motivate our tenants to participate in this project with their premises in favor of renewable energies.
- We continuously check the suitability of real estate regarding participating on internationally recognized certification systems or take into account increasingly green labels when buying real estates. At the end of 2020, the certification rate for our mutual fund was 57% (incl. properties in the process of certification).

- We have developed a “Manage To Green” pilot project with which we in 2020 and 2021 aim to optimize 44% of our mutual fund properties ecologically and thereby significantly reduce carbon emissions.
- We are improving the collection of ESG data from real estate by training property managers. We analyze the ESG performance of the real estate based on the requested data and develop optimization measures. We reviewed a number of options for ESG data management and decided to use Measurabl's software. The software is currently being integrated into the company.
- Particularly because sustainability is not standardized in the real estate industry, we at KanAm Grund Group also pursue the goal of having ourselves assessed by a neutral expert. In this context, we have participated in GRESB Global Real Estate Sustainability Benchmark with our mutual fund LEADING CITIES INVEST and achieved the status “Green-Star”.

KanAm Grund Group has been working on sustainability issues for more than a decade. For example, KanAm Grund Group has been a member of the US Green Building Council since 2009 and a founding member of the Green Rating Alliance since 2011. In March 2020, KanAm Grund Group signed the United Nations Principles for Responsible Investment (UN PRI). As an international real estate company, we thus declare our willingness to integrate environmental and social issues and good corporate governance into our corporate and investment process.

At KanAm Grund Group a Sustainability Team is actively working in the implementation of the sustainability goals. It consists of 17 members of the management board as well as directors and employees from all departments and is therefore very important in the company. In addition with the appointment of a graduated Sustainability Officer (SRI Advisor EBS) and a deputy (SRI Advisor EBS), KanAm Grund Group has created an important anchor point in the company to define, manage and drive forward the sustainability goals. This also includes active participation of the sustainability officers in the working groups of the industry association BVI.

For us, acting sustainably and taking responsibility for the investment success of our investors is inextricably linked.

Social issues

For KanAm Grund Group, however, the sustainability and corporate citizenship programs do not end at the boundary of the properties. The company is currently expanding its social and cultural activities in the cities it invests as part of its overall social responsibility.

The aim is not only to create optimal working environments through the acquired properties and their management, but also to promote initiatives in these cities that improve the quality of life.

The KanAm Grund Group focuses on two funding programs:

1. Kids in Cities (KIC) – A funding program of the KanAm Grund Group

Children are the weakest but for the future most important members of a society. With partnerships and the promotion of children's aid programs in invested cities, the KanAm Grund Group wants to actively make a contribution to making life more worth living for children in cities. The first KIC initiative was aimed at the "Arche" in Frankfurt am Main, one of 27 locations in Germany, where children receive a comprehensive range of aid and development

opportunities, from food and school support programs to leisure activities. "KIC" was further expanded in 2019 to include projects in Hamburg and Dresden.

2. Art in Public (AIP) – A funding program of the KanAm Grund Group

Another goal of the KanAm Grund Group is to make art in public spaces a tangible experience for everyone, by making inner-city life more attractive and better for people. Since 2015, the company has sponsored "Blickachsen" (www.blickachsen.de), an interplay of art, nature and public space with sculptures in the „Kurpark“ and „Schlosspark“ in Bad Homburg, as well as seven other locations in the Rhine-Main region that take place every two years. Each new exhibition offers new perspectives on the works themselves as well as on the landscape and architectural context through the careful placement of contemporary works of various forms in the historical locations.

Corporate governance issues

KanAm Grund Group follows a code of values in its mission statement.

BVI rules of conduct

The KanAm Grund Group is a member of the German Investment Funds Association BVI. KanAm Grund Group follows the standard for good and responsible use of investors' capital and rights. It is committed to the BVI rules of conduct. These rules are binding on all employees by committing to the compliance manual, which incorporates these rules as well as regulatory and legal requirements. The compliance manual also defines how to deal with conflicts of interest and the code of conduct within corporate governance.

Corporate mission statement of the KanAm Grund Group

Preamble

The KanAm Grund Group, headquartered in Frankfurt am Main, Germany, was founded in October 2000 and has since generated a transaction volume of around USD 35 billion. The employees of the KanAm Grund Group in Frankfurt am Main as well as in the international offices in Paris, Atlanta and Luxembourg combine a long-standing experience and recognized competence in the area of real estate investments for asset-oriented investors.

From the very beginning, the so-called "KanAm Grund spirit" characterizes the team-oriented, open cooperation of all executives and employees with a flat hierarchical structure, high motivation, tolerance and professionalism at the headquarters and the international offices.

Naturally, the KanAm Grund Group complies with the BVI rules of conduct within all processes for managing the investment funds solely in the interests of the investors and the integrity of the market.

Over the years, the investment focus has been on quality real estate in international metropolises. The KanAm Grund Group benefits from its global network in strategically important locations. The independence of the KanAm Grund Group gives it a special position in the market, which makes it possible to pursue an investment strategy in the best interest of the investors.

With the following mission statement, the KanAm Grund Group conveys what it believes characterizes entrepreneurial success as well as successful leadership and cooperation with investors, partners and shareholders. In this sense, the mission statement summarizes the core of what should ensure the success of the KanAm Grund Group also in the future. The

corporate values and the strategy give employees a clear orientation for their daily work. It is the responsibility and commitment of all employees to bring this to life.

Our self-image

We are committed to our investors as trustee.

In managing the assets entrusted to us, we solely act in the interests of our investors. We pursue their rights independently. We appreciate the governmental oversight over this legal obligation; it differentiates us from other providers of investment products. Our funds are protected against bankruptcy since the funds assets are segregated. They are under the independent control of the respective depository, which is also supervised by a competent supervisory authority.

We want to receive long term investment success.

Our success is the success of our investors. Not only a convincing return, but also risk diversification and liquidity are very important. We are supporting investor-friendly advice by providing clear and comprehensive information on opportunities, risks and costs.

We generate benefits for the economy and society.

We enable access to all investment markets equally to small and large investors. We are providing suitable solutions for funded pension-schemes. We are promoting the financial education of investors.

Vision

KanAm Grund Group aims to be a leading international, bank-independent fund and real estate asset manager that can competently cover all the needs of private and institutional investors. The company sees itself as a 360-degree real estate company that acts as a full-service provider for investors and on real estate markets. In our activities, we strive to consistently deliver the best possible performance and the highest, sustainable quality and security to our partners, investors, shareholders and employees who stand up to excellence in competition.

Holistic efficiency and strong investor orientation are our focus. As an innovative trendsetter we uphold this claim on ourselves. We use our opportunities to create trends in the strategic design and operational implementation of our investment products. In this way we generate sustainable added value for the company and thus for investors, employees, partners and shareholders.

Mission

- We are a reliable, high performing and innovative partner in the real estate investment market for asset-oriented investors. For them, we use our expertise and experience in international fund and asset management to generate competitive returns on invested real estate capital. In doing so, we put long-term success before short-term profits.
- Sustainability, both economic and environmental, determines our actions when selecting real estate investments based on proprietary data- and fact-based selection models.
- We create value and success for our investors because we understand their needs and want to fully meet them. For us, maintaining relationships is inseparably linked to investor relations. For optimal support and advice, it is important to keep in touch with our sales partners and investors.
- We act autonomously and independently and assume responsibility for our actions through the responsible weighing of opportunities and risks.
- We are not concerned with managing the status quo. Instead, we want to improve continuously. And we have ambitious entrepreneurial goals: On the one hand, we want to grow profitably in the businesses in which we operate with the best products and services. On the other hand, internally, we always strive for the most efficient solution.

- Innovative real estate fund products and asset management services provide us with the foundation for long-term profitable growth. Entrepreneurial success begins with people: Our employees think and act as dedicated entrepreneurs and feel committed to business success for investors and the company alike.
- Our daily work is characterized by optimism, respect, authenticity, integrity, openness and courage. We want to achieve results that benefit everyone: our investors, our shareholders and our employees. Fully fulfilling the high expectations of our investors and partners in terms of quality and profitability is our common goal.
- With dedication and creativity, we create an environment in which promising ideas are quickly developed and implemented.
- A flat management hierarchy promotes efficient communication and involvement of all employees in the company's success. An open information policy promotes the entrepreneurial thinking of all employees. Communication to our partners and investors is transparent and responsible.

Values

The following values determine daily our actions or interactions with investors and business partners as well as our cooperation within the company:

Responsible

- We act in the long-term interest of our investors, employees, shareholders, partners and the public.

Dynamic

- We are independent, which allows us to seize opportunities and implement ideas quickly.

Trust-worthy

- We deliver what we promise and act in accordance with our values.

Sustainable

- We always take environmental and climatic factors into account in our investment processes and develop eco-friendly real estate portfolios based on a distinct strategy.

Results-oriented

- We strive for superior results, high efficiency and sustainable success for our investors.

Respectful

- We are fair, place a high value on performance and communicate openly and honestly.

Courageous

- We are the industry pioneer, develop our own ideas and are open to new ideas and change.