



# Real I.S. – Sustainability Report 2022

Non-financial  
reporting of the  
Real I.S. Group

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# Real I.S. at a glance

# 1 Real I.S. at a glance

## Management Letter

### Dear readers,

In recent months, sustainability and climate protection have become even more important for all our stakeholders. This is one reason why the response to the publication of our first sustainability report last year was very positive among investors, business partners and employees.

For us in the Real I.S. Group\*, sustainability and climate protection are central components of our mission statement. (GRI: 2-22). We are aware of the importance that the real estate industry plays in achieving the Paris climate goals. High energy standards are already being achieved in new construction – the key to realising the goal of net zero emissions by 2045 in Germany and by 2050 worldwide is the building stock. As a large real estate portfolio manager, we are aware of the importance of our contribution and naturally assume our responsibility.

The climate goals we outlined last year remain unchanged: as a company, we want to be climate neutral by 2030, followed by the entire portfolio by 2050. For the German portfolio, we are aiming for climate neutrality as early as 2045. In the field of sustainability, we have taken several measures in 2022 to further align our operational processes with the achievement of our climate goals.

A first important step was to make the property portfolio climate-neutral in the area of general electricity in the current year. We are also currently working on a comprehensive plan for the local generation of green electricity through photovoltaic systems.

We work with the French software company Deepki and have introduced their “Deepki Ready” platform as a central location for the collection and analysis of ESG consumption data in the properties we manage. Both property-related and tenant-related consumption data is collected.

The “Green Lease” clauses that we defined and rolled out last year help us in this. They are now part of most new leases. We have noticed that some of our tenants bring these clauses into the discussion on their own behalf.

The evaluations are supplemented by our checks in the product cycle, which are already established as standard, the CRREM analysis and our in-house scoring. We have firmly integrated the CRREM analysis into the transaction processes and already check properties at the time of purchase. We also assess the long-term transitory risks.

This gives us an overview of which properties in our portfolio currently meet the climate targets, which property will leave the decarbonisation path and when and what action and investment is needed.

As part of our cooperation with the German company Recognizer, we have achieved the first important milestones, such as saving around 20 per cent of energy and emissions (GRI: 302-5) in a German shopping centre and an office building; at the beginning of 2023, we then concluded an agreement for a further roll-out of this technology. The system gradually learns the building’s and system’s behaviour and takes over the predictive control of the technical systems. This will enable us to significantly reduce energy consumption in our international portfolio as well.

At the product level, we are in dialogue with our investors. New funds are being prepared in accordance with Article 8 SFDR. In close exchange with our investors, we are reviewing the current portfolio to prepare it for an upgrade in accordance with Article 8 SFDR.

ESG is more than the environment. That is why we are involved in the Social Impact Investing Initiative of the Institute for Corporate Governance in the Real Estate Industry (ICG) to define measurement criteria for the social component, the S in ESG. Together we are developing a detailed scoring model to include measurable social criteria. We underline our commitment to respecting and promoting fundamental human rights by joining the UN GC; by joining the UN PRI, we commit ourselves to observing the Principles for Responsible Investment. We report on this in the corresponding reporting formats.

\* in the following, Real I.S. refers to the Real I.S. Group

Our ESG strategy is part of our comprehensive transformation process: With a view to the years up to 2026, we have identified four topics in our company that will guide our long-term and successful development. Sustainability and digitalisation are naturally part of this. As part of our sustainable transformation process, we attach great importance to employee participation. Accordingly, we organised our own sustainability week last year as part of BayernLB's initiative, among other things, with the aim of raising awareness and sensitising our employees to the issues of sustainability and climate protection.

In our organisation, ESG is a task designed for long-term, stringent implementation and across all hierarchies. In line with our self-image, we actively contribute our ideas in this regard to the industry, for example in the ESG Council of the Central Real Estate Committee (ZIA), in which the Chairman of the Real I.S. Board of Management helps to shape the implementation of the ZIA Sustainability Agenda and the ESG Charter in the Board of Management.

We face up to our responsibility, recognise opportunities and break new ground with our investors and partners. On the following pages you will find out how we reflect this in our processes and incorporate it into our daily activities.

**We wish you an exciting and informative read.**



**Jochen Schenk**  
CEO and Chairman  
of the Board of Real I.S. AG  
and Managing Director of  
Real I.S. Investment GmbH



**Bernd Lönner**  
Vice Chairman  
of the Board of Real I.S. AG  
and Managing Director of  
Real I.S. Investment GmbH



**Stephan Mühlbauer**  
Managing Director  
of Real I.S. Investment GmbH

### 1.1 Organisational profile

The Real I.S. Group is the fund service provider of BayernLB and a member of the Sparkassen-Finanzgruppe specialising in real estate investment and management. Real I.S. AG Gesellschaft für Immobilien Assetmanagement (Real I.S. AG) is a 100% subsidiary of BayernLB and together with the likewise licensed capital management company Real I.S. Investment GmbH (Real I.S. GmbH), a 100% subsidiary of Real I.S. AG (together Real I.S. sub-group) and the other subsidiaries Real I.S. Property Management GmbH in Munich, Real I.S. France SAS in Paris, Real I.S. Australia PTY. Ltd. in Sydney and Real I.S. Management SA in Luxembourg form the Real I.S. Group (Real I.S.). Real I.S. has its own property management, which operates as an independent company under the name Real I.S. Property Management GmbH with effect from 1 January 2022. (GRI: 2-1; 2-2; 2-6)

A profit and loss transfer agreement between BayernLB and Real I.S. AG has been in place since 25 July 2000 and a profit and loss transfer agreement between Real I.S. GmbH and Real I.S. AG since 10 October 2016.

The organisation’s head office (GRI: 2-1) is located in Munich, Germany.

In addition to its domestic locations, Real I.S. AG also maintains foreign operating facilities in the Netherlands, Spain and France (GRI: 2-1).

### 1.2 Activities and employees

The Real I.S. Group is one of the leading real estate asset managers on the German market. In addition to special AIFs and closed-end and open-end public AIFs, the range of products and services includes individual fund solutions, club deals and joint ventures (GRI: 2-6). Since 1991, more than 100 fund products have been offered and placed for institutional investors and private clients. As of the balance sheet date 31 December 2022, the Real I.S. Group has over EUR 13.1 billion in assets under management (2021: EUR 12.5 billion), of which EUR 8.3 billion is attributable to fund products initiated by Real I.S. AG itself. Net commission income in the reporting period was EUR 73.6 million (2021: EUR 74.3 million). As a real estate asset manager, Real I.S. manages properties in eleven countries. The current investment focus is on Germany and Europe, specifically Spain, France, Luxembourg, Belgium, the Netherlands, Ireland, Austria, Hungary, Finland and Australia.

### Real I.S. Investment Focus and Locations 2023



Real I.S. AG is responsible for the asset management of all initiated fund products of the Real I.S. Group as regulatory KVG and business agent. For this purpose, it uses the services (GRI: 2-6) of lawyers, tax advisors, auditors, brokers, consulting firms specialising in real estate and asset management, banks, property and facility managers and software developers, in particular in Germany and other European and Australian countries. The majority of sales are made through savings banks and also through cooperative banks.

In the holding phase, Real I.S. focuses on close relationships with tenants and their satisfaction. This goal is implemented in Germany through intensive tenant support by Real I.S.'s internal asset management staff and through its own property management company, Real I.S. Property Management GmbH, which has several locations. Abroad, this support is provided by the asset managers in Spain, the Netherlands and the subsidiaries in France and Australia, as well as through cooperation with experienced property managers who are subject to strict quality control (GRI: 2-6).

Since the end of 2019, Real I.S. has been working intensively on the conception and implementation of "Environmental, Social and Governance" (ESG), i.e. in the broader sense of sustainability at company and product level.

ESG is and will be an even more important competitive factor in the real estate sector in the future. Transparency, adherence to principles and the implementation of ESG aspects have become indispensable for long-term success, not only at the property level but also for the real estate asset managers themselves.

At the current time, Real I.S. offers four Art. 8 products under SFDR.

With the mission "We unite real estate and the future" and the vision "We want to create added value for society and the environment", Real I.S. has therefore defined the transformation path to a sustainable asset manager with the ESG mission statement 2025. This defines clear target criteria for the dimensions of ecology, social affairs and corporate governance, as well as for the stakeholders investors, tenants, investments, employees and society. Real I.S. has adopted the United Nations Principles for Responsible Investment. (UN PRI) and Global Compact (UN GC) and consequently takes them into account in its investment activities as well as in its business and risk strategy.





## Employees

The employee structure of Real I.S. (GRI: 2-7) is as shown in the table. Some figures were collected for the first time for the year 2022. Percentage changes are not calculated, as the basis for the 2022 census has changed. Real I.S. does not employ any non-employees (GRI: 2-8).

Real I.S. is not subject to a collective agreement (GRI: 2-30).

Remuneration above the statutory minimum wage is guaranteed through compliance with the remuneration system. This is described in more detail in GRI: 2-19 (Remuneration Policy).

## Employee structure

	2022	2021	2020
<b>Employees*</b>	273	237	228
thereof Germany	250 ♂ 128   ♀ 122	229 ♂ 117   ♀ 112	222 ♂ 114   ♀ 108
thereof Europe without Germany	17 ♂ 11   ♀ 6	-	-
thereof France	9 ♂ 5   ♀ 4	-	-
thereof Netherlands	5 ♂ 3   ♀ 2	6 ♂ 3   ♀ 3	5 ♂ 3   ♀ 2
thereof Spain	2 ♂ 2   ♀ 0	2 ♂ 2   ♀ 0	1 ♂ 1   ♀ 0
thereof Luxembourg	1 ♂ 1   ♀ 0	1 ♂ 1   ♀ 0	1 ♂ 1   ♀ 0
thereof Australia	6 ♂ 4   ♀ 2	-	-
thereof full-time employees	231 ♂ 135   ♀ 96	205 ♂ 116   ♀ 89	193 ♂ 113   ♀ 80
thereof part-time employees	42 ♂ 8   ♀ 34	32 ♂ 6   ♀ 26	35 ♂ 6   ♀ 29
of which with permanent employment contract	269 ♂ 141   ♀ 128	-	-
of which with management responsibility	36 ♂ 26   ♀ 10	32 ♂ 23   ♀ 9	32 ♂ 24   ♀ 8
plus junior staff	22	18	18
thereof working students	20	16	16
thereof interns	2	2	2
Average age	42.7 years	42.9 years	43.1 years
Average length of service	5.7 years	5.9 years	6.2 years
thereof length of service			
Under two years	66 ♂ 34   ♀ 32	54 ♂ -   ♀ -	70 ♂ -   ♀ -
Two to five years	116 ♂ 62   ♀ 54	84 ♂ -   ♀ -	63 ♂ -   ♀ -
six to ten years	45 ♂ 23   ♀ 22	43 ♂ -   ♀ -	38 ♂ -   ♀ -
Over ten years	46 ♂ 24   ♀ 22	38 ♂ -   ♀ -	45 ♂ -   ♀ -

\* excl. junior staff as of 31.12.2022



### 1.3 Corporate governance

Real I.S. AG is a stock corporation under German law with a dual management and supervisory structure consisting of a Management Board and a Supervisory Board.

The schedule of responsibilities defines the functional responsibility of each member of the Board of Management. As of 31 December 2022, the Board of Management of Real I.S. AG consisted of Jochen Schenk (Chairman), Bernd Lönner (Deputy Chairman) and Dr. Pamela Hoerr. Dr. Pamela Hoerr left the Board of Management of Real I.S. AG with effect from 6 February 2023.

The management of Real I.S. GmbH (GRI: 2-9) has a separate function and consisted of the members of the Board of Management of Real I.S. AG Jochen Schenk, Bernd Lönner and Dr Pamela Hoerr as well as Silke Weber as an additional managing director as of 31 December 2022. Silke Weber resigned from the Management Board with effect from the end of 31 December 2022. She was replaced by Stephan Mühlbauer as of 1 January 2023. Dr. Pamela Hoerr resigned from the Executive Board with effect from 6 February 2023.

As of 31 December 2022, the Supervisory Board of Real I.S. AG (GRI: 2-9) consisted of Gero Baumann (since 1 May 2021; Chairman) (GRI: 2-11), Bernd Mayer (since 1 July 2013; Deputy Chairman) and Bernd Fischer (since 1 January 2021). It thus comprises a member of the Board of Management of BayernLB, the divisional management of BayernLB and the Board of Management of the savings bank organisation. The selection is made by the shareholder. The decision to fill a position on the supervisory body is based primarily on professional and personal suitability (GRI: 2-10).

For the suitability assessment of the management bodies (GRI: 2-18), Real I.S. has defined both a standard process based on the “ESMA/EBA Guidelines on the Assessment of the Suitability of Members of the Management Body and Key Function Holders” (hereinafter “ESMA/EBA Suitability Guidelines”) for the performance of the collective and individual suitability assessment of the management board and supervisory board, as well as occasions for monitoring suitability that trigger a review and update (of parts) of the suitability assessment during the year. The performance of the suitability assessment must be documented in each case.

Upon the appointment of a new member of the Supervisory Board, immediately following the General Meeting, which in principle appoints the members of the Supervisory Board, the Supervisory Board – if vacant – shall elect a Chairman and a Deputy Chairman from among its members in a meeting held without special invitation.

### Composition of the Supervisory Board as of 31.12.2022

<b>Total members</b>	<b>3</b>
thereof women	0
thereof men	3
of which aged under 30	0
of which aged 30 to 50	0
of which aged over 50	3

As of 31 December 2022, no women are represented on the Supervisory Board of Real I.S. AG (GRI: 2-9). A quantitative target for the underrepresented gender for the Supervisory Board and the Board of Management of BayernLB is not specified.

However, within the scope of possibilities and circumstances, the aim is still to increase the proportion of the underrepresented gender on the Executive Board and Supervisory Board.

Real I.S. has only a small number of managers in international locations, as the locations are mainly managed from the main location in Germany. In its Code of Conduct, Real I.S. excludes the discrimination of persons based on ethnic origin, among other things. This also applies to access to management positions.

The highest bodies, i.e. the Executive Board and the Supervisory Board of Real I.S., define values, goals, strategies and guidelines on sustainable issues at regular intervals. (GRI: 2-12) In addition, the Supervisory Board is regularly informed about Real I.S.’s sustainability activities and is committed to ensuring that the company acts sustainably.

The supervisory board receives training on relevant sustainability topics at least once a year. (GRI: 2-17). The last training of the Supervisory Board took place in December 2022.

**ESG organisation**

Real I.S. has clearly positioned itself for sustainable development in the corporate organisation, which is also characterised by the responsible use of available resources and thus also wants to create and preserve value in the interest of future generations. With the ESG mission statement 2025, Real I.S. has laid the foundation for the transformation to a sustainable asset manager, both at the company and product level, with regard to the dimensions of ecology, social issues and good corporate governance. The ESG mission statement is binding for all employees and the management of Real I.S. and is continuously developed. The strategic orientation at the group level is defined in the environmental and sustainability policy, which also forms the framework for the ESG strategy within Real I.S. The guarantee of systematic ESG management is ensured by its anchoring in the corporate structure. The implementation and further development of the ESG goals from the mission statement and the new regulatory requirements in the area of ESG are driven forward by the Executive Board in cooperation with the ESG organisation under the coordination of the sustainability officer.

**► BayernLB's sustainability and environmental policy**

The Head of ESG (GRI: 2-13) is directly subordinate to the Executive Board in technical and disciplinary terms and reports regularly to the Executive Board. The ESG organisation is anchored in the existing corporate structure and in the processes of Real I.S. at the strategic level (ESG Board) and at the operational level (ESG multipliers in each organisational unit).

The ESG Board provides impulses and is the strategic decision-making body. Ten organisational unit heads from central operational and organisational units of Real I.S. participate in the ESG Board, including Human Resources, Client Relations, Corporate Business and Innovation, Fund and Asset Management, as well as a member of the Board of Management and the Head of ESG. Other department heads are included as required. The core tasks of the ESG Board include the strategic development of ESG topics and the approval of project results and resources. Coordination between the operational divisions and the technical implementation of ESG tasks is integrated into the line organisation of the respective divisions. The ESG Circle is composed of employees from all organisational units of the company who have been appointed as ESG contact persons in their respective areas. This Circle serves as a central information and exchange point for all employees with regard to ESG issues.

The executives (GRI: 2-14) of the supplying departments are involved in the preparation of the sustainability report. The sustainability report is released by the ESG Board and approved by the Real I.S. Board of Directors.

**Risk management and compliance**

The management is informed regularly (quarterly) about the results of the risk assessment regarding the fund and real estate risks as part of the risk reporting. In addition, the relevant results from risk reporting are discussed with the management and the key risk officers in a risk board. ESG risks have been integrated into the monitoring and assessment of the relevant risk types and are thus part of the risk reporting. At the same interval, the Supervisory Board is also informed about liquidity and financing risks across the entire fund portfolio (real estate and other asset classes) as part of the Supervisory Board meeting. (GRI: 2-12)

Compliance management is directly linked to the board or management and reports directly (GRI: 2-16). The Compliance Officer is appointed by the Executive Board. The appointment is reported to BaFin and the supervisory board. At least once a year, the supervisory board requires a report on the activities of the compliance officer, the appropriateness of the procedures applied and the risk situation.

Pursuant to section 11 no. 5 of KAMaRisk, the Chairman of the Supervisory Board is entitled to obtain information from the Compliance Officer with the involvement of the Executive Board. The Compliance Officer has the option of informing the Supervisory Board directly about matters if this appears appropriate based on the information available.

**Investors**

The primary stakeholders (GRI: 2-29) in relation to the funds launched by Real I.S. are the investors. Meetings are held several times a year to discuss economic topics, but increasingly also environmental topics. Some of these meetings take place in person, while others are held by video transmission. The departments concerned are responsible for organising and conducting the meetings and the responsible divisional board is regularly informed about the results.

Real I.S. Group is confronted with potential conflicts of interest (GRI: 2-15) on the one hand due to its global services and on the other hand due to the personal identity of various functionaries in the two AIF capital management companies belonging to Real I.S. Group. In order to deal responsibly with these conflicts within the framework of its business relationships and its principles, the Real I.S. Group has established appropriate organisational and administrative measures. The aim of these measures is to ensure that the Real I.S. Group and its employees give priority to the interests of investors in carrying out their activities and also take account of the integrity of the market. The aim of the measures taken is to avoid impairing the interests of investors. The measures for prevention, control and avoidance are summarised in the Compliance Guideline for Dealing with Conflicts of Interest.

In the event of a report of critical concerns, the compliance officer submits this report in a documented and auditable manner by e-mail or letter. In the reporting year, Real I.S. did not have any critical concerns that had to be reported to the highest control body.

Real I.S. has established a remuneration system (GRI: 2-19) for all its employees in accordance with Section 37 of the German Investment Code (KAGB) and Annex II of Directive 2011/61/EU (AIFM Directive) that is consistent with and conducive to a sound and effective risk management system. The remuneration system also applies in particular to the Management Board, employees whose activities have a significant influence on the risk profile of Real I.S. or the managed investment assets (risk carriers), employees with control functions and all employees who receive total remuneration on the basis of which they are in the same income bracket as managers and risk carriers. The objective of the remuneration policy of Real I.S. is, in addition to the fulfilment of regulatory requirements, the promotion of a sustainable and risk-conscious behaviour of the employees as well as the orientation towards the business model, the sustainable success and the risk structure of Real I.S. At the same time, performance is to be rewarded and motivated employees are to be bound to the company. However, no incentives are expressly provided that could tempt employees to take risks that are not compatible with the risk profile, the investment conditions or the articles of association of the investment assets it manages and that could prevent Real I.S. from acting dutifully in the best interests of the respective investment assets.



## 1 Real I.S. at a glance

Sustainability risks in the areas of environment, social affairs and corporate governance are included in the remuneration policy. The remuneration policy stipulates that the amount of the variable remuneration of the employees is based on the corporate goals and individual goals set in target agreements. In this respect, Real I.S. also considers the avoidance of sustainability risks and the achievement of certain sustainability goals in the areas of environment, social affairs and corporate governance when agreeing on these goals. Thus, the amount of the variable remuneration of the employees is also linked to the achievement of these sustainability goals, among other things. The remuneration policy of Real I.S. is thus in line with the business strategy, objectives, values and interests of Real I.S. and the investment assets it manages.

The remuneration of the employees consists of a fixed remuneration, a variable component and an employer-financed company pension. In special individual cases, employees may receive additional fringe services (e.g. benefits). The following applies in detail to the individual remuneration components:

- The annual fixed salary is paid in twelve equal monthly amounts. The amount of the variable component is determined by the value of the position or the function performed and in accordance with market conditions. The fixed component is calculated in such a way that employees do not become “significantly dependent” on the variable remuneration.
- The annualised variable remuneration is calculated on the basis of the company’s performance. The remuneration is based on the individual’s or personal performance or the individual target agreement as well as the function and position held in the company. It may amount to a maximum of up to 100 % of the fixed remuneration.

The variable remuneration is paid out after the determination of the individual degree of target achievement, the determination of the annual financial statements of Real I.S. and the approval of the bonus pot available for payment by the Supervisory Board. The bonus amount available for distribution is determined as part of the annual budget planning for the following financial year.

- In special individual cases, employees may receive additional fringe services over and above the variable remuneration. (e.g. benefits if special targets are achieved); such fringe benefits and their conditions are in any case subject to a separate agreement, which the employee is not entitled to conclude.

Real I.S. has set up a remuneration committee. It consists of the members of the Supervisory Board of Real I.S., the Head of the Human Resources department and the Head of the Risk Management department. The Remuneration Committee meets at least once a year and participates in the determination of the principles for the design and further development of the remuneration systems in accordance with the business model and the regulatory requirements of Real I.S.

The Executive Board must review the appropriateness of this remuneration system annually as part of the implementation of the remuneration process and make any necessary adjustments (GRI: 2-20). The Remuneration Committee set up at Real I.S. is involved in making the necessary adjustments.

To ensure the appropriateness of employee remuneration, an external remuneration consultant is commissioned at regular intervals to obtain current market comparisons with regard to both fixed and variable remuneration. The remuneration structure is described in detail in the remuneration guideline. Detailed information on remuneration (GRI: 2-21) can be found in the Real I.S. annual report.

### › Remuneration policy of Real I.S. AG

## 1.4 Values, principles and norms of behaviour

Real I.S. considers lawful, ethical and responsible conduct to be an elementary and indispensable part of its corporate and social responsibility (GRI: 2-23).

### Precautionary approach

Real I.S. joined the UN GC in 2021 and has committed to the following principle (GRI: 2-23): “Businesses should follow the precautionary principle in dealing with environmental problems.”

Real I.S. actively addresses the challenges of sustainable development. It assumes its responsibility with the aim of taking ecological, economic and social aspects into account along the entire value chain.

This is done in their own company by:

- Conservation of valuable resources,
- the avoidance of negative impacts on the environment,
- a responsible approach to their employees.

Furthermore, non-financial aspects are considered in business relationships and in the evaluation of business transactions. In doing so, compatibility with the relevant international environmental, ethical and social standards is observed.

The sustainability officer continuously monitors and analyses the effects of climate protection policy and other political, legal, social and technological developments on the business of Real I.S. The aim is to identify opportunities and risks that may arise for Real I.S. and its customers from these developments at an early stage. Together with the relevant divisions within Real I.S. and external stakeholders, appropriate strategies and measures are developed and implemented.

The Code of Conduct, the ESG mission statement formulated in 2021 and the Corporate Governance Principles form the normative foundation of the Real I.S. Group’s sustainability management. (GRI: 2-24) In addition, there are principles and guidelines that define concrete requirements for the design and limits of business activities. The business strategy is regularly reviewed and updated as necessary. Real I.S. also continuously analyses the potential need for regulation, particularly as a result of regulatory requirements, in other areas.

Binding work instructions regulate how the principles and guidelines are to be implemented and where the ESG organisation must be involved. The structured inclusion of sustainability criteria in decision-making processes ensures that social and environmental aspects are considered at an early stage in line with the precautionary approach.

Compliance is an integral part of corporate management and is defined as risk management with a preventive focus. An appropriate risk analysis, measures based on this analysis and the promotion of a uniform understanding of values and integrity contribute to this, as does the sanctioning of violations. In accordance with the “zero tolerance” principle, no exceptions are tolerated at Real I.S.

### › Corporate Governance Principles

#### Code of Conduct

The Code of Conduct serves as a normative guideline throughout the Real I.S. Group for daily actions (GRI: 2-23; 2-24).

It is a risk prevention, management and communication tool. The Code of Conduct applies to all business areas of Real I.S., to all employees and to the members of the Board of Directors and the Supervisory Board. It governs dealings with colleagues, customers, suppliers, business partners, market participants, shareholders, the public and government agencies. Each employee is called upon to use decency and judgement in his or her area to ensure that a culture is maintained that does justice to social responsibility and the conditions for sustainable corporate development.

The requirements contained in the Code of Conduct (GRI: 2-24) are to be understood as minimum standards. They are supplemented and concretised by a wide range of guidelines and – in part external – voluntary commitments. For example, responsible corporate governance, the consideration of entrepreneurially relevant sustainability aspects and the equal treatment of employees are regulated by these.

### › Real I. S. Code of Conduct

**Standards with sustainability relevance**

Within Real I.S., basic ESG standards and exclusion criteria apply, including those based on the Group's guidelines:

Examples:

- Real I.S. complies with all embargo and sanctions requirements of EU and UN.
- Real I.S. does not tolerate economic criminal acts of any kind.
- Real I.S. does not participate in any business that involves levies or to evade and/or evade taxes.
- Real I.S. has product-specific exclusions in relation to ethical, social and ecological standards, z. e.g. UN GC Principles.

**Principles of the Real I.S. Group's personnel policy**

In addition to the Code of Conduct, central aspects of employee management are laid down in Real I.S.'s "Leadership Principles". The leadership principles form the basis for leadership training at all levels as well as for feedback instruments.

More information on the topic of employees can be found in GRI: 401.

**Principles and guidelines for dealing with customers of the Real I.S. Group**

The Real I.S. Code of Conduct also defines central cornerstones for dealing with customers. Central values and goals for customer relations are also defined in the "values and self-concept" formulated. More information on the topic of customers can be found in GRI: 417, 418.

**› Code of Conduct**

The minimum requirements for the complaints management of Real I.S. (GRI: 2-25) are set out in the BaFin Circular "Joint Circular BA, WA and VA 06/2018" of 04.05.2018, amended on 23.01.2020. The circular provides information on the basis of Section 28 (1) and (2) of the German Investment Code (KAGB) in conjunction with Section 4 (1) of the German Investment Act. § 6 I 13 Process Description 3 of the Capital Investment and Conduct and Organisation Ordinance (KAVerOV), the circular provides a framework for the handling of complaints by supervised entities. The concrete design is based on the principle of proportionality.

The supervised entity is obliged to ensure that complaints are reliably recorded and evaluated in order to gain knowledge about possible delays and deficiencies in business operations and to be able to remedy them. The findings obtained from the complaint handling are to be recorded

in to include the risk management and to be taken into account by the internal audit. To this end, Real I.S. has developed and implemented principles and effective, transparent procedures for appropriate complaint handling as part of its organisational guidelines, which define the submission of complaints, the handling of complaints including responsibilities, the follow-up of measures to ensure compliance with the principles and procedures, and the internal reporting system. An evaluation of complaints is carried out quarterly and the report is forwarded to the Executive Board.

**Mechanisms for raising concerns**

The individual employee is at the centre of the measures for compliance with regulatory requirements and consideration of societal expectations (GRI: 2-26). They are obliged to inform themselves about the relevant legal obligations, instructions, guidelines and framework conditions applicable to their area of work and responsibility and to comply with them. He is comprehensively supported by regular training, especially in the areas of compliance, risk management and sustainability management. In order to counteract potential risks of compliance violations at an early stage and thus ensure the reputation and security of Real I.S., Real I.S. has set up a whistleblowing system. This guarantees a fair and careful procedure towards the whistleblower and the person concerned. Internal whistleblowers can and should contact their managers or the compliance officers with their tips and questions. They are also available to external whistleblowers.

**Compliance with laws and regulations**

There are no known fines or non-monetary sanctions for non-compliance with laws and regulations in the social and economic sphere (GRI: 2-27).

**Membership in associations and interest groups**

Due to its business model, Real I.S. is active in various associations and organisations (GRI: 2-28).

These include, among others:

- › the German Savings Banks and Giro Association (DSGV),
- › the Central Real Estate Committee (ZIA)
- › the Institute for Corporate Governance in the German Real Estate Industry e.V. (ICG),
- › the ESG Circle of Real Estate (ECORE).

In 2021, Real I.S. publicly committed to the UN GC (GRI: 2-23), which states, among other things: “Businesses should take initiatives to promote greater environmental awareness.”

This is stated in the sustainability strategy: “Real I.S. is also active in various regional, national and international associations and federations with the aim of exchanging experience at eye level, developing strategies together and finding solutions. Active participation is further promoted in this context on a topic-specific basis and focused on current needs (e.g. in the context of measuring the CO<sub>2</sub> footprint of the portfolio).”

In detail, Real I.S. is active in the following sustainability-related associations, among others:

- Through sponsorship and personal commitment, the Real I.S. is responsible for the further development of important framework conditions for the real estate industry and research. The company’s management actively participates in these measures via the reporting line and is also personally involved in associations such as the Central Real Estate Committee (ZIA), the EBS University of Economics and Law and the International Real Estate Business School (IREBS), the Institute for Corporate Governance in the German Real Estate Industry (ICG), the Frankfurt Competence Centre for German and Global Regulation (FCCR).

- UN Global Compact (UN GC): Since September 2021, Real I.S. has been a member of the UN GC, the world’s largest and most important initiative for sustainable and responsible corporate governance. By signing the UN GC, Real I.S. is committed to respecting and promoting fundamental human rights, fair working conditions, fighting corruption and promoting sustainable development. This also includes social responsibility for the protection of vulnerable groups. Indigenous peoples are particularly in need of protection, as they are often exposed to violence and violations of labour and human rights as a result of displacement and forced resettlement. The report requested by the initiative makes clear where Real I.S. contributes to the UN GC.

#### › UN GC

- UN Principles for Responsible Investment (UN PRI): As of April 2021, Real I.S. is a member of the UN PRI, an initiative dedicated to the practical implementation of the Six Principles for Responsible Investment through its international network. The aim is to better understand the environmental, social and governance impacts of investment activities and to support signatories in integrating emerging issues into their investment decisions.

#### › UN PRI

#### UN Sustainable Development Goals

The 17 Sustainable Development Goals (SDGs) of the United Nations are a clearly defined framework for a social, economic and ecological development that is targeted worldwide by 2030. For Real I.S., these are also an important point of reference for the orientation of the goals and measures in the area of sustainability and social responsibility.

In 2022, Real I.S. conducted a mapping exercise to identify the most relevant SDGs for the business model. This exercise resulted in the identification of the SDGs with the greatest potential for positive contribution.

As a real estate portfolio holder, Real I.S. is very aware of its responsibility for more climate protection. Therefore, the focus is on the achievement of the 13th SDG “climate protection measures”. The goals, strategies and measures for contributing to the other identified SDGs are currently being developed and will be finalised and published in 2023.





# Our path to 2025

Sustainability  
strategy



## 2 Our path to 2025 – Sustainability strategy

### 2.1 ESG at Real I.S.

Real I.S. has defined the sustainability dimensions in concrete terms at the environmental, social and corporate management levels in order to pursue the path to becoming a sustainable asset manager at both the corporate and the product level. For us as part of the BayernLB Group, sustainability (in the sense of ESG) is the right way to align our company. The guiding principles of our actions are also anchored in our sustainability and environmental policy, among other things. This ESG mission statement is binding for all employees and the management of Real I.S. and is continuously developed. The goals are important cornerstones of the resulting strategic orientation:

- Promoting responsible investment
- Climate neutrality of Real I.S. (as a company without real estate portfolio) by 2030
- Climate neutrality by 2050 (in Germany by 2045) of the entire portfolio

➤ **BayernLB's sustainability and environmental policy**

### Description of ESG criteria

Real I.S. has identified the following principles as relevant to it, based on the mission statement it has developed:

E Environment	S Social	G Governance
Adapting buildings to climate change	Creating liveable urban spaces/districts	Compliance culture and organisation
Reducing greenhouse gas emissions	Creating space concepts while taking account of the aspects of health, safety and well-being	Applying recognised industry standards (e.g. UN PRI)
Reducing the consumption of primary energy and water	Committing to social cohesion and social integration	Acting according to ethical principles
Promoting recycling management (materials/commodities/land)	Promoting accessibility	Creating transparency, managing conflicts of interest and of goals
Avoiding waste (construction/conversion, operation)	Promoting science	Cooperation and exchange (experience, data, standards)
Reducing the impact of land consumption and sealing	Promoting continuous professional development and training for employees	Incorporating ESG criteria into investment decisions and risk management
Considering the impact of the site on the ecology (biodiversity, soil, water)	Promoting voluntary social commitment of employees	
Promoting environmentally and urban friendly mobility/development concepts	Achieving a work/life balance	

## ESG Guidelines



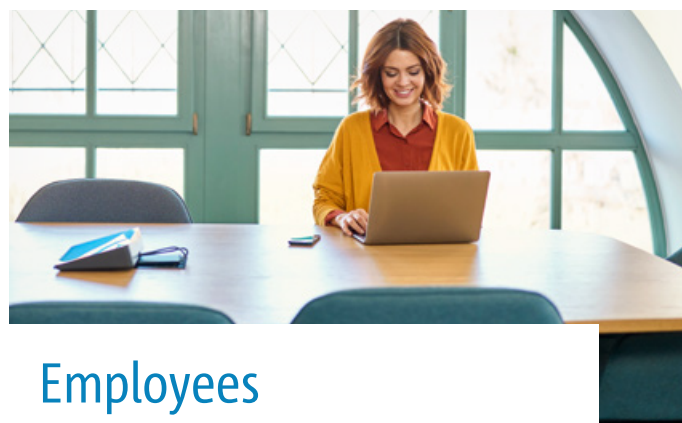
### Investors

- Our goal is to generate long-term returns for our investors.
- We consider and manage the impact of our investment decisions on society and the environment.
- Sustainable real estate investments take our ESG criteria into account.
- We actively shape the ecological and social profile of our real estate funds.
- In the interest of our investors, we are increasing the share of real estate investments that take into account environmental and/or social characteristics.
- In addition, we take account of the following in all sustainability risks in our real estate investments and their impact on returns – both in acquisitions and in the portfolio.
- We create transparency on how we integrate ESG aspects into our investment process, and report regularly on the impact of our investment decisions.



### Tenants

- For our tenants, we are a long-term partner and promote the implementation of the ESG goals.
- We exchange consumption data, actively promote ecological behaviour, and set ESG-promoting contractual arrangements.
- With our properties, we create attractive spaces for our tenants, which are a enable sustainable use.
- We know the technical and ecological properties of our buildings. Together with our tenants and service providers, we reduce climate gas emissions and resource consumption in the use of our properties.
- We use the possibilities of digitalisation modern mobility concepts, building innovations and functional adaptability, and think in terms of life cycles and cycles.
- We implement exclusion criteria to avoid contradictions with our ESG goals.



## Employees

- ESG starts with our own behaviour.
- The Real I.S. employees design the ESG identity of Real I.S. and responsibly drive forward the implementation of our sustainability goals.
- Real I.S. staff are open to this, social and ecological responsibility.
- As a solid company, we promote and we demand the ecological and social behaviour of our employees and value their diversity.



## Society

- We are an active member of society and act according to ethical principles.
- We support social initiatives and encourage the voluntary social commitment of our employees.
- We promote education and training, invest in the promotion of science and innovation in our industry and are committed to the compatibility of family and career.



## Investments

- As a UN PRI signatory, we are committed to responsible investing.
- We already take our ESG criteria into account in our investment decisions.
- For each of our ESG products, we define the environmental and social characteristics and disclose how we achieve them.
- With our ESG investment products, we combine investment success and positive impact on Environment and society.
- Our aim with ESG investment products is that our investments are predominantly based on certified or certifiable in accordance with current market standards or are a sustainable investment or make a special contribution to environmental protection or society.

## 2.2 Materiality analysis

### Procedure for determining essential topics

Real I.S. conducted a materiality analysis (GRI: 3-1) with the aim of concretely implementing the mission statement.

As no GRI sector standards are available at the time of reporting and there has been no change in the business activities, the topics already identified in the previous report are considered. The materiality analysis was carried out according to GRI 2016 standards.

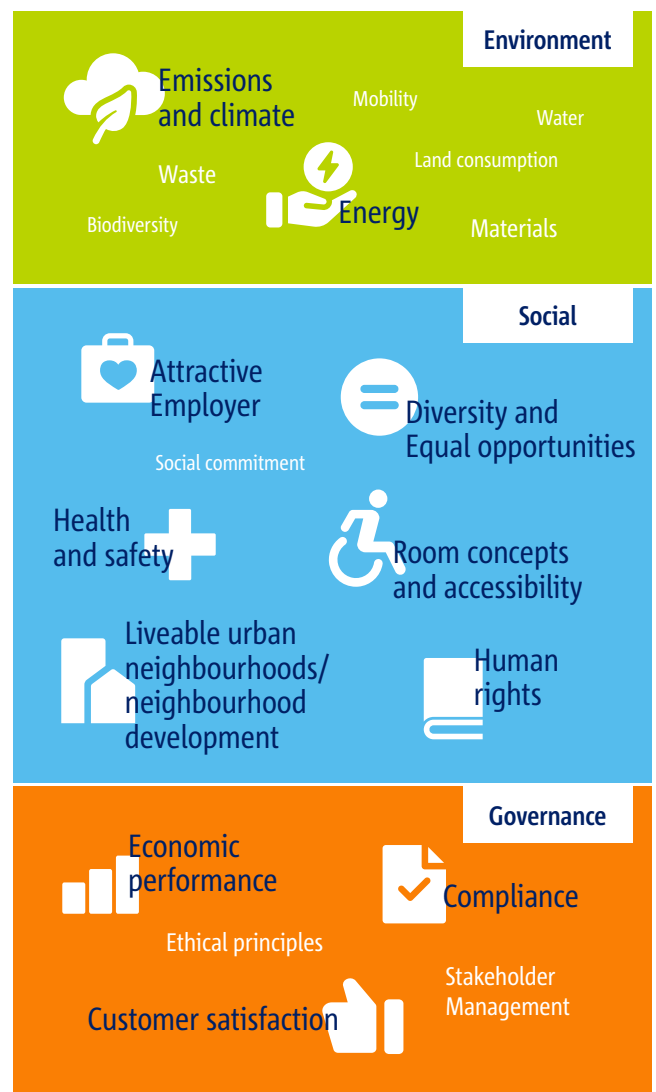
The procedure for identifying material topics was based on the framework of the “Sustainability Reporting Standards” of the Global Reporting Initiative (GRI-SRS) as well as on the legal requirements for non-financial reporting pursuant to § 315 b and § 315 c. in conjunction with § 289 c-e HGB. In a combined approach, the topics were assessed both in terms of their relevance for understanding the course of business, the business result and the position of the company, their relevance for understanding the impact of their activity on the aspects (HGB (German commercial law) requirements) and in terms of their assessment and decision by the stakeholders. The topics are recorded in a three-dimensional matrix in order to take into account different materiality requirements.

The first materiality analysis in 2021 examined which of Real I.S.’s corporate activities have a significant influence on environmental, social and governance challenges, and which of these dimensions have a significant influence on Real I.S.’s business model from outside the company. The analysis was expanded to include the aspect of Real I.S.’s ability to actively influence these challenges.

The materiality analysis was carried out in several process steps (GRI: 3-1-a-i). Based on the 2025 mission statement, an initial selection of topics resulted from a competitive review and analysis of relevant sustainability standards. In a workshop, the findings were compiled, discussed with internal stakeholders, validated and transferred into a final matrix (GRI: 3-1-b). Potentially important topics from a prepared topic list were first checked for completeness and, if necessary, supplemented. Subsequently, the topics were evaluated by the workshop participants on the basis of the criteria of stakeholder relevance, business relevance, impact and localisation of the impact and clustered into priority categories (GRI: 3-1-a-ii). The stakeholders were selected on the basis of the mission statement: Investors, tenants, employees and society (GRI: 2-29; 3-1-b).

Topics that were assigned a high priority based on their evaluation – and additionally topics with medium priority in the social field of action – were classified as essential for Real I.S.. The identification of the essential topics was confirmed by the company management.

There are no significant changes in the list of material topics (GRI: 3-2) and their boundaries compared to the previous reporting period. The explanations on the material topics (GRI: 3-3) are integrated into the following information on the individual material topics.



● Topics identified as essential

● Topics identifies not as essential

### 2.3 Consideration of sustainability risks

Real I.S.'s strategy for dealing with sustainability risks at product and asset level can be summarised as follows: Sustainability risks are considered in the entire real estate value chain, starting with the definition of Real I.S.'s investment strategy and the launch and conception of new products, in the investment process as well as in the holding phase and at the time of sale.

Sustainability risks are events or conditions from the three aforementioned areas of ecology, social affairs and governance, i.e. the ESG criteria, the occurrence of which could actually or potentially have a significant negative impact on the net assets, financial position and results of operations of Real I.S. or the investment assets it manages, as well as on Real I.S. reputation.

At Real I.S., both the physical environmental risks, which include current environmental risks and those arising as a result of chronic climate change (GRI: 201-2), and the transitory risks are assessed at property level. The assessment is carried out both during the acquisition process and on an ongoing basis during the management phase.

The climate risks are assessed with the help of an external climate risk model. Historical extreme weather events and future-oriented climate change scenarios are taken into account. In the future, the assessment of the property's own vulnerability to physical risks at the address of the property will also be included in the consideration and evaluation of physical environmental risks. Depending on the vulnerability of the property, action plans could be developed at the property level to improve resilience to physical risks and thus minimise the physical risk.

The transitory risks are assessed on the basis of real estate conformity with general decarbonisation targets. The CRREM tool (Carbon Risk Real Estate Monitor; the associated tool shows the permissible emissions for the individual countries of the EU, broken down by the different types of use, in order to achieve the target of the Paris Climate Agreement) is used to measure compliance with the 1.5 degree Celsius path. In the event of non-compliance with the decarbonisation targets, risk minimisation measures are developed and integrated into the property planning, in a 'Manage-to-Green strategy'.

As part of the acquisition process and in the ongoing property holding phase, further property-specific ESG risks are assessed, as is conformity with the ESG strategy in the case of Art. 8 in the sense of the OffVO, among other things with the support of an ESG scoring.

The topic of sustainability and the associated risk drivers from the ESG criteria can have an impact on the known risk types or contribute significantly to them. As part of the regular risk assessment, the general market, liquidity, financing and counterparty risks in particular are always considered with regard to the ESG criteria. This monitoring of sustainability risks is an integral part of the risk management of Real I.S. The risk analysis is regularly reviewed, evaluated and, if necessary, adjusted, especially with regard to sustainability risks.

The assessment and management of reputational risk is also part of the risk management system of Real I.S. The risk policy objectives for dealing with reputational risks are laid down in the risk strategy of the Real I.S. Group. The sensitive handling of circumstances (e.g. transactions, events in existing portfolios) that can have an impact on the reputation of Real I.S. is communicated by the risk management organisation in training courses and workshops. In addition to ad hoc treatment of new risks that arise immediately, the recording and assessment of reputational risks is updated on a quarterly basis throughout the entire organisation.

#### › Strategies for dealing with sustainability risks



# We go about it

ESG at  
Real I.S.

## 3 We go about it – ESG at Real I.S.

### 3.1 Environment

#### Our responsibility for the ‘E’ of ESG, Environment

Real I.S. understands the field of action “environment” as primarily activities that contribute to climate and environmental protection. Approximately 40 percent of global greenhouse gas emissions (GHG) occur in and through buildings (GRI: 3-3). The real estate sector therefore has great potential on the path to climate neutrality and in advancing sustainability. It has also recognised its great responsibility as a real estate manager and is convinced that it can thereby exert a leverage effect on the entire industry.

It is important to Real I.S. to make an active contribution to climate protection and the environment. As a real estate portfolio holder, we are aware of our responsibility for greater climate protection. Therefore we are focusing on achieving the 13th SDG (Sustainable Development Goal) “Action on Climate Change”.

#### The following objectives are pursued (GRI: 3-3):

- Reduction of own operational emissions (at company level) to up to zero,
- Reduction of the operating emissions of the real estate portfolio to up to zero,
- Reduction of energy consumption in the business units The Real I.S. Group’s locations and the managed portfolio,
- Real I.S. is committed to a wide range of In addition, the ZIA is committed to promoting sustainability throughout the entire industry through its activities in associations and initiatives, such as the ECORE initiative and the various working groups and expert committees in the ZIA.

Real I.S. aims to become climate neutral in its own business activities (e.g. heating and electricity consumption in the Real I.S. business premises, vehicle fleet and business travel) by 2030 and in its managed portfolio by 2050 (in Germany by 2045). This is to be achieved primarily through the concrete reduction of harmful emissions and only in the case of unavoidable emissions through the use of offsets. The concepts for this are developed, among other things, in the transformation initiative of Real I.S. AG. “Act Sustainable”. As shown in the materiality analysis, the topics of materials and waste or emissions in the life cycle and circular economy are not yet classified as material. Real I.S. will address these issues in greater depth in the future, for example by developing a concept for supporting the circular economy in modernisation and refurbishment measures.



### 3 We go about it

#### 3.1.1. Emissions and climate

Real I.S. understands “emissions and climate” to mean, in particular, climate protection and the associated reduction of climate-damaging greenhouse gas emissions.

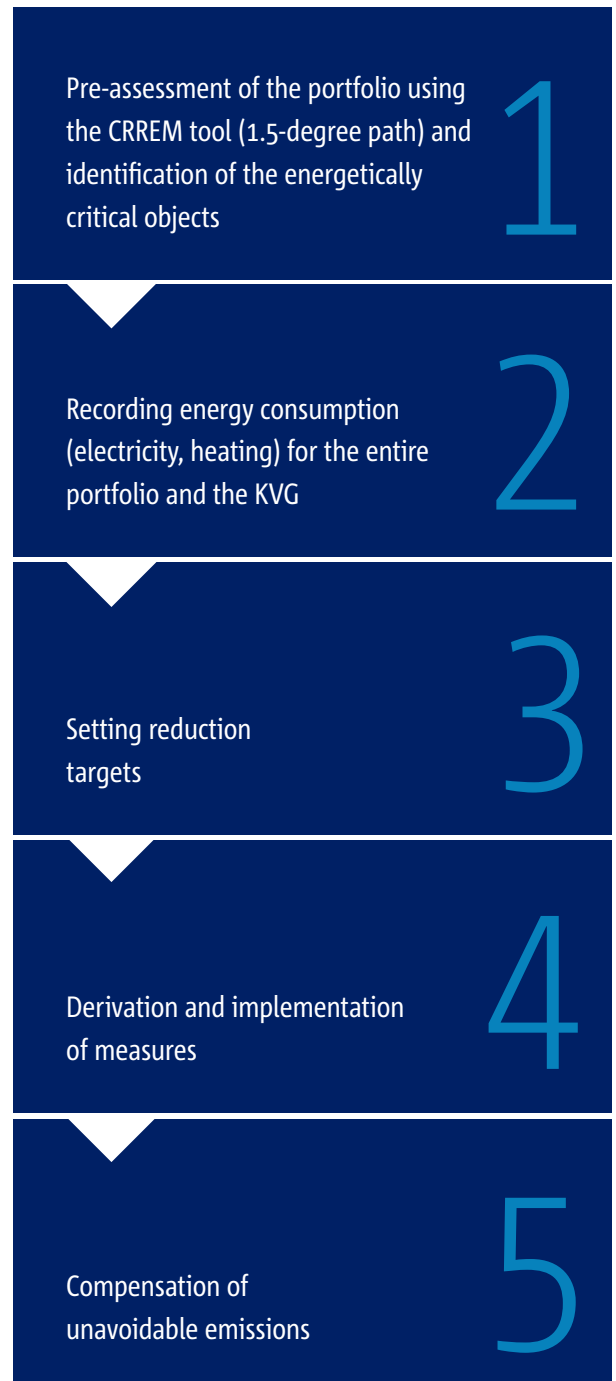
Accordingly, Real I.S. aims to gradually reduce direct (Scope 1) and indirect energy-related (Scope 2) and other indirect (Scope 3) GHG emissions to zero by 2030 (own business operations) or 2050 (in the portfolio; in Germany by 2045).

In addition to the negative impacts of real estate described above, the relevance of this topic also results from the increasing requirements and high expectations of internal and external stakeholders (GRI: 3-3). The primary challenge in this area is the development of a holistic management approach that takes into account the complexity of our business model as a real estate asset manager and the diversified product portfolio.

**In order to live up to its responsibility, Real I.S. has set itself clear goals in this context:**

- Procurement in principle of climate-neutral General electricity until 2023,
- Climate neutrality as a company by 2030,
- Climate-neutral real estate portfolio by 2050 or 2045 in Germany,
- Increase the number of products with sustainability related goals, also through the conversion of Inventory products on Art. 8 i.S.d. OffVO,
- Central recording of the consumption data of the portfolio,
- After the market launch of ECORE certification Application of this for selected funds,
- Medium and long-term decarbonisation of the portfolios through innovative technologies and the use of renewable energies, among other things.

**Real I.S. pursues the following measures and steps to achieve its goals:**












Climate protection is very important to Real I.S., which is why the management actively manages this topic and is heavily involved in strategic and operational decisions.

In 2022, Real I.S. was able to successfully complete important steps towards more climate protection.

**In particular:**

- 
**Introduction and development of the central digital platform for the collection and evaluation of consumption data**
- 
**Detailed analysis of the energy performance of the real estate portfolio and examination of the properties for their conformity with the 1.5 degree Celsius target of the Paris climate path (energy audit)**
- 
**Per property, the development of a climate protection roadmap to enable conformity with the Paris Climate Pathway.**
- 
**Participation in the further development of a uniform ESG assessment standard for real estate (ECORE) as well as initial application**
- 
**Use of innovative technologies (e.g. artificial intelligence) for GHG reduction of real estate in the Real I.S. portfolio**
- 
**Use of technologies and measures to increase energy efficiency in the own premises (e.g. motion detectors for lighting, more efficient drive of the ventilation system).**
- 
**Raising employee awareness on the topic of climate protection in the office and careful use of resources as part of Sustainability Week (September 2022)**

**Information on the consideration of the most important downstream effects of investment decisions on sustainability factors**

Real I.S. is bound by disclosure obligations. The Disclosure Regulation (OffVO; Sustainable Finance Reporting Directive, SFDR) obliges financial market participants to provide transparent information on whether and in what form sustainability factors were considered in investment decisions. This applies, among other things, to corporate and product strategy, investment and risk processes and the remuneration strategy. This is regulated by the Real I.S. through an internal policy and implementation of requirements in the relevant processes. As of June 2023, Real I.S. will publish Scope 1 (GRI: 305-1), Scope 2 (GRI: 305-2) and Scope 3 GHG emissions (GRI: 305-3) for both the company level and the corresponding products as required by the Disclosure Regulation.

**GHG emissions at company level**

Real I.S. calculates GHG emissions at the level of its own business operations; the CO<sub>2</sub> e footprint was calculated with the help of the VfU tool for recording and calculating key figures of operational environmental performance.\*

In order to enable comparability with peers, the emission factors for the German average stored in the tool were used to calculate the emissions from district heating and mobility. The emissions are presented as CO<sub>2</sub> equivalents to capture all greenhouse gases with global warming potential. As there is no precise database for taxi journeys, the kilometres travelled by taxi were calculated based on a plausible estimate.

In accordance with the framework for climate accounting (GHG Protocol), the emissions are reported according to both the market-based and the location-based approach. In the market-based perspective, emissions from electricity purchases are assessed at 0.0 kg CO<sub>2</sub> e/kWh because all electricity was purchased as green electricity in the reporting year. In the location-based perspective, the German electricity mix with the emission factor stored in the VfU tool was used as the basis for electricity procurement.

\* www.vfu.de. The Association for Environmental Management and Sustainability in Financial Institutions (Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V., VfU) has developed the VfU Indicators, a standard for the accounting of environmental indicators at financial service providers that is widely used internationally. This tool emerged from an interdisciplinary working group in cooperation with German and international financial institutions. BayernLB also uses the VfU tool.

The scope of consolidation for the accounting of greenhouse gas emissions is based on the scope of consolidation for financial reporting. All fully consolidated business units with more than ten employees are taken into account in the calculation of Real I.S.'s climate emissions.

## Greenhouse gas emissions in CO<sub>2</sub>e

	Scope 1 (GRI: 305-1)		Scope 2 Market Based (GRI: 305-2)		Scope 3 (GRI: 305-3)		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Power	-	-	-	-	-	-	-	-
Heat	-	-	42	34	11	17	53	52
Business traffic	141	107	-	-	289	170	429	277
Paper	-	-	-	-	-	-	-	-
Water	-	-	-	-	1	3	1	3
Waste	-	-	-	-	-	1	-	1
Cooling and extinguishing agents	-	-	-	-	-	-	-	-
<b>Total</b>	<b>141</b>	<b>107</b>	<b>42</b>	<b>35</b>	<b>301</b>	<b>191</b>	<b>484</b>	<b>333</b>
			Scope 2 Emissionen location based					
			95	94				
<b>Total</b>	<b>141</b>	<b>107</b>			<b>301</b>	<b>191</b>	<b>537</b>	<b>393</b>

The intensity ratio (GRI: 305-4), i.e. the greenhouse gas emissions of an organisation in relation to an organisation-specific parameter, in this case the number of full-time employees (FTE), has developed as follows:

## Intensity of the Greenhouse gas emissions

Category	VfU Indicator	Tonnes or kg CO <sub>2</sub> e	
		2022	2021
Total Disclosure – 305-1: Scope 1 THG-emissions		141	107
Total Disclosure – 305-2: Scope 2 Location Based THG-emissions		95	94
Total Disclosure – 305-2: Market Based THG-emissions		42	35
Total Disclosure – 305-3: Other indirect (Scope 3) THG-emissions		301	191
Total Scope 1, 2 and 3 GHG emissions (t), Scope 2 Location Based Emissions		537	393
Total Scope 1, 2 and 3 GHG emissions (t), Scope 2 Market Based Market		484	333
Organisation-specific parameter / denominator: Employees (FTE)		245	210
<b>Disclosure – 305-4: Intensity of greenhouse gas emissions Scope 2 Market Based in kg / FTE</b>		<b>1.974</b>	<b>1.586</b>
<b>Disclosure – 305-4: Intensity of greenhouse gas emissions Scope 2 Location Based in kg / FTE</b>		<b>2.190</b>	<b>1.867</b>

The change in the increased consumption of GHG emissions is due to the increase in business travel. A comparison with 2021 is only possible to a limited extent, as 2021 was strongly influenced by the global restrictions due to the Corona pandemic, thus travel was generally prohibited at times. There is no reduction in the sense of GRI: 305-5; within the scope of the goal of zero emissions in business operations, there is no reduction in the sense of GRI: 305-5.

Real I.S. by 2030, the strategy for the gradual reduction of greenhouse gas emissions will be developed in 2023 and the measures will be successively introduced and implemented.

GRI: 305-6 and GRI: 305-7 are not business relevant for Real I.S.


### 3.1.2 Energy

Real I.S. understands this topic to mean in particular the reduction of energy consumption (electricity, heat) for the operation of all properties and its own administration (in its own business operations). The increase in energy efficiency and the energy-efficient refurbishment of existing properties play a prominent role and are given increased consideration. (GRI: 3-3)

In addition, the purchase and production of renewable energies should play a greater role for Real I.S. in the future. There are various challenges to be considered in this area, including regulatory and tax restrictions. One major hurdle from a regulatory perspective is the prohibition of operational activities for funds. Legislative measures that allow the operation of photovoltaic systems on real estate as permissible management of the real estate within the framework of collective asset management, even if the electricity generated is fed into the grid, are to be hoped for.

Regarding the reduction of energy consumption, one encounters the owner-tenant dilemma, as the tenants of the properties have a significant role for a large part of the energy consumption.

#### Real I.S. implemented the following measures and steps in this regard in 2022:

- 
**Pre-assessment of a predominant part of the portfolio using the CRREM tool (1.5-degree Celsius path) and identification of the properties that can be optimised in terms of energy efficiency**
- 
**Recording and evaluation (if consumption figures are available, otherwise extrapolation based on benchmark figures) of energy consumption (electricity, heat) for the majority of the portfolio and the company (in accordance with the balance sheet limit already mentioned)**
- 
**Development of climate protection roadmaps for the individual properties and the funds of Real I.S.**
- 
**Development of uniform green lease clauses and application of these as a basis for negotiation in all new leases**
- 
**Use of innovative technologies (e.g. artificial intelligence) for GHG reduction of real estate in the Real I.S. portfolio**
- 
**Framework agreement signed with Recognizer Group GmbH to reduce the energy consumption of properties in the Real I.S. portfolio with the help of innovative technologies**

### 3 We go about it

Example of the reduction of energy demand in the pilot projects in cooperation with Recogizer

#### » Artificial intelligence for CO<sub>2</sub> reduction with Recogizer

In the future, we will work together with the Bonn-based green tech company Recogizer to reduce our CO<sub>2</sub> balance sheet and further advance the planned ESG measures. The “Mercedesplatz” office and commercial building in Berlin and the “Schlössle Galerie” shopping centre in Pforzheim will be the first properties in our portfolio to be equipped with the technology. By using the fully automated, self-learning and demand-oriented

Recogizer technology, the energy consumption of the air-conditioning systems is reduced by up to 30 percent, CO<sub>2</sub> emissions are lowered and the climate comfort in the buildings is improved at the same time.

‘With the cooperation with Recogizer, we increase the attractiveness of the properties and reduce the ancillary costs for our tenants in the long term’, Dr. Pamela Hoerr (Note: Member of the Executive Board until 06.02.2023) summarises the advantages of the measure.« (GRI: 302-4)

» Press release, 23 February 2023  
“Real I.S expands collaboration with Recogizer”

## Energy consumption within the organisation

(Scope 1 und 2)

Category	VfU Indicator	Consumption of the respective unit		Conversion to GJ	
		2022	2021	2022	2021
a. Total fuel consumption within the organisation from nonrenewable sources, in joules or multiples thereof, including fuel types used.					
Petrol from vehicles in km	in 2b)	703.440	571.262	1.742	1.415
Diesel from vehicles in km	in 2b)	–	–	–	–
Natural gas in vehicles (CNG, Scope 1)	in 2b)	–	–	–	–
LPG in vehicles (LPG, Scope 1)	in 2b)	–	–	–	–
b. Total fuel consumption within the organisation from renewable sources, in joules or multiples thereof, including fuel types used.					
Electricity from supplier mix	in 1a)	127.433	139.510	459	502
Electricity from market-typical mix:	in 1a)	–	–	–	–
c. ii. Heat consumption					
District heating from average mix – Germany	in 1a)	191.549	241.000	690	868
<b>Disclosure 302-1: Total energy consumption</b>		<b>not addable</b>		<b>2.891</b>	<b>2.785</b>

Energy consumption within the organisation increased in the reporting year compared to the previous year. This development is due in particular to the increase in petrol consumption of the company's own vehicle fleet and increased business travel. In addition, commuting traffic has increased with more people returning to the office from their home offices. A comparison with 2021 is difficult to derive, as 2021 was characterised in particular by the Corona restrictions, which severely restricted the use of the company's own vehicle fleet and travel activities in the business division.

## Energy consumption outside the organisation

Business travel in Scope 3  
(conversion into joules not possible with VfU indicators)



Category	VfU Indicator	Kilometres		GHG (t) (Scope 1-3)	
		2022	2021	2022	2021
Journeys by public transport: Bus (Scope 3)	2aa	-	-	-	-
Journeys by public transport: Tram (Scope 3)	2ab	-	571.262	1.742	1.415
Rail transport (Scope 3)	2ac+20d	-	-	-	-
Direct road transport (recorded in km, Scope 1)	2b	-	-	-	-
Fuel consumption in litres, converted to km (Scope 1)	2ba	-	-	-	-
Diesel consumption in litres, converted to km (Scope 1)	2bb	-	-	-	-
Journeys with natural gas vehicles (recorded in km, Scope 1)	2bc	-	-	-	-
Journeys with LPG vehicles (recorded in km, Scope 1)		-	139.510	459	502
Journeys with electric vehicles (Scope 2)		-	-	-	-
Indirect road transport in km (Scope 3)	2c	86.258	62.100	28	20
Indirect road transport in tonne-km (Scope 3)		-	-	-	-
Air traffic short-haul	2d	314.954	239.350	38	41
Long-haul air traffic	2e	1.005.388	255.567	129	28
<b>Total Disclosure 3-2-2: Environmental impact due to transport</b>	<b>2</b>	<b>1.406.600</b>	<b>557.017</b>	<b>195</b>	<b>89</b>

Category	VfU Indicator	GJ (not kWh)	GHG (t) (Scope 1-3)	
<b>Total Disclosure 3-2-2: Home office burden</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>

Category	VfU Indicator	GJ (not kWh)	GHG (t) (Scope 1-3)	
<b>Total Disclosure 3-2-2: Data Centre &amp; Cloud Provider Burden</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>

The consumption of district heating and electricity, on the other hand, has decreased (GRI: 302-4). It remains to be seen whether this is a one-off effect due to the gradual completion of construction activities in the business premises of the company's own business operations or whether consumption shows a fundamental downward trend. As part of the goal of reducing energy consumption in the company's own business operations in the business premises at the locations of the Real I.S. Group and the managed portfolio, concepts for a gradual reduction of greenhouse gas emissions will be developed in 2023 and further measures will be initiated.

Energy intensity (GRI: 302-3), represented as the energy consumption of an organisation in relation to an organisation-specific parameter – in this case the total number of employees – is as follows:

### Energy consumption

Category	VfU Indicator	GJ	
		2022	2021
Total energy consumption in the company		2.891	2.785
Denominator: Total number Employees (FTE)		245	210
<b>Disclosure 302-3: Energy consumption: GJ / FTE</b>		<b>12</b>	<b>13</b>



## 3.2 Social

### Our responsibility for the 'S' of ESG, social issues

Real I.S. is aware of its social and societal responsibility and has anchored this in its corporate culture. For Real I.S., this means, among other things, that it is an active member of society, acts according to ethical principles and is a good employer for its employees. Our employees are our most important success factor. That is why the targeted promotion of employees, their health and the compatibility of family and work have a high priority for Real I.S. (GRI: 3-3). These are three important of many other components of the human resources policy that make Real I.S. an attractive employer – and thus also form the basis for economic success. Increasing regulatory requirements, the ongoing digitalisation of business processes and other social changes place high demands on the qualifications, continuous development and commitment of employees. Against this backdrop, it is a central task of human resources policy to recruit and retain qualified employees, also in view of demographic change. At the same time, it is important to promote the professional and personal development of employees in order to qualify them for the constantly changing professional requirements.

### Social environment

It is important to Real I.S. to create an attractive social environment for all employees and to make a positive contribution to them in the process.

#### The following objectives are pursued:

- Professional technical and personal development and advancement of employees (training, mentoring, talent programmes ...),
- Promotion of junior staff through suitable programmes (working students, trainee programme, internships, job shadowing ...),
- Protect and promote the health and well-being of employees,
- Open communication and exchange across all levels of the company (open door culture),
- Equal opportunities and diversity and work-life balance,
- Supporting initiatives around social engagement, for example corporate volunteering.

### Health, well-being, safety

The following objectives are pursued in the area of employee health, well-being and safety:

- Promotion of physiological aspects, e.g. through basic services such as flu vaccination, adherence to the company's employees are also aware of the need to comply with occupational health and safety regulations, sports and a holistic office concept,
- Support for mental well-being, including through a working environment characterised by tolerance and respect, psychological offers, health days, work-life balance, flexible and hybrid working models,
- Ensuring financial well-being, including through remuneration that is in line with the market and gender-neutral,
- Promoting social well-being, among other things through a strong corporate culture, transparency through discussion rounds with the Board of Directors, social responsibility through corporate volunteering.

- › Code of Conduct for Employees
- › Remuneration Policy of Real I.S. AG

Internal documents commit to transparent action:

Remuneration guideline (internal document)

Leadership principles (internal document)

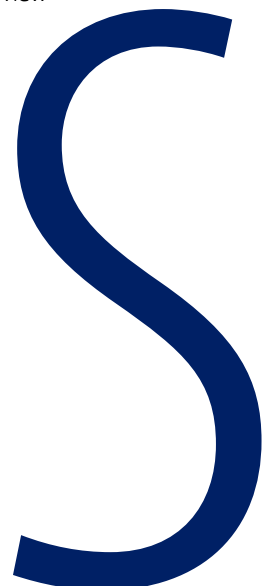
Guideline personnel development interview (internal document)

Guideline for target agreement discussion (internal document)

### Structure of the employees

The structure of the employees (GRI: 401-1; 2-7) is as **in 1. already presented** at the time of reporting.

Note: Some surveys were conducted for the first time in 2022; historical time series are given where possible.



### 3 We go about it

#### 3.2.1 Attractive employer

The success of Real I.S. is based on the motivation, commitment and competence of its employees. Real I.S. therefore understands the topic of “employee attractiveness” as measures that enable employees to contribute in the best possible way, to make full use of their competence and to develop themselves further, as well as those measures (GRI: 3-3) to promote and retain them in the company and to attract new talent. Real I.S. aims to create constructive diversity in terms of gender, generations, age, education and internationality.

In our opinion, the following factors are essential to be perceived as an attractive employer: fair remuneration, company pension scheme, development opportunities, competitive benefits, work-life balance, flexible working hours and location, easy access to the office location. Furthermore, Real I.S. lives a modern corporate culture with flat hierarchies and the following characteristics:

**open, active, solid.**

#### Hybrid working model

A hybrid working model applies at Real I.S.. With this model, Real I.S. combines an office-first strategy and at the same time supports the desire of employees to be able to pursue their activities outside the workplace. As a flexible form of work, hybrid working is intended to support the compatibility of work and private life. The core element of this modern form of work is trust and appreciation between managers and employees on the one hand and between employees on the other.

In the context of hybrid and mobile work, employees shall ensure that the relevant laws (e.g. Working Hours Act, etc.) as well as employment contract or company regulations are not violated. This applies in particular to compliance with the maximum daily working time and the rest periods to be observed between two working days. The statutory working time limits must also be observed when work is performed outside the workplace.





### Education and training

Pressure to innovate, new technologies and high demands on quality constantly challenge companies and employees to adapt their qualifications to the growing requirements and to close the gap between qualification and requirement profiles through suitable personnel development measures (GRI: 404-2). Real I.S. offers various possibilities for putting together a package of measures. Basically, a distinction can be made between the following personnel development measures: Learning on the job is one of them. This can be done, for example, by taking on projects, job rotation, planned work expansion or additional tasks, e.g. by supervising working students and interns. External educational events (seminars, lectures, congresses) and self-study are part of off-the-job learning. These learning opportunities are supplemented by experiential elements such as coaching, mentoring and job shadowing. All responsible persons have the obligation to create the framework conditions for development opportunities.

### Corporate volunteering

Corporate volunteering (GRI: 413-1) at Real I.S. is based on the motto: Doing good together and helping each other. In concrete terms, Real I.S. focuses on three areas of activity: The commitment concentrates on the areas of education, children and youth as well as social issues, with a regional focus. During their working hours, employees can get involved in social issues that lie outside the actual tasks of Real I.S..

Through BayernLB, Real I.S. is an active member of the initiative Unternehmen für München (UfM) (Companies for Munich), which has set itself the goal of bundling competences and exchanging ideas around civic and social commitment.

Due to the pandemic situation, an action has been carried out in 2022. In the summer of 2022, as part of the UfM activities, Real I.S., together with the Diakonie Oberbayern and the LOK Arrival – a leisure centre for refugee children and young people – co-organised a summer festival for around 250 children and young people. Five Real I.S. employees took part in the all-day event.



### Survey of the employees

A survey of employees was conducted in 2022. The survey was conducted as part of a comprehensive internal analysis with the aim of examining Real I.S.'s internal communication with a focus on user behaviour, perception and expectations, among other things, and deriving recommendations for action. In cooperation with an external agency, an analysis of the existing channels and formats, interviews with various employees and a quantitative survey among all employees were conducted. The results of the study showed that the company's internal communication is in a good state overall and that formats that have already been implemented, such as the employee forum and the newsletter of the board of directors, are particularly appreciated. Recommendations for action for formats and contents of an accompanying transformation communication as well as communication goals for 2023 were derived from the analysis.

## Employee satisfaction

Real I.S. pursues a variety of measures to achieve the above-mentioned goals. In the area of “employee satisfaction”, they can be broken down into the following areas:

### Physiological working environment

- The modern office concept offers a working environment with diverse communication, collaboration and retreat options,
- Ergonomic office equipment,
- Free drinks and food allowance.

### Cross-hierarchical and cross-functional communication

Various networking and communication formats (Mystery Coffee, Sundowner, Dialogue with the Board ...)

### Relationship with employees / corporate culture

- On- and offboarding process as an important form of employee-management encounter,
- Duz’ culture in the company,
- Corporate Volunteering.
- Company events, team days, etc.,
- Trust-based working time with flexible working time or part-time models,
- Benefits for employees (company holidays, meal allowance, Corporate Benefits...).

### Minimum notice period before implementing significant operational changes that may have a material impact on them.

Within the framework of a trusting cooperation and a living culture with the values active, open and solid, it is important to us to inform all employees promptly and comprehensively about overarching topics. Real I.S. uses regular employee forums and various dialogue formats for this purpose.

### Newly hired employees and employee turnover (GRI: 401-1):

- Increase in the number of employees: 5.38
- Employee turnover rate: 10

### Company benefits offered only to full-time employees, but not to temporary or part-time employees (GRI: 401-2):

Real I.S. does not differentiate between full-time and non-full-time employees in terms of benefits.

### Parental leave (GRI: 401-3)

Parental leave is actively taken by women and men and there are flexible return options.

### Programmes to improve the skills of employees (GRI: 404-2)

Real I.S. offers various needs-oriented personnel development measures for skills development. Managers and employees are in regular dialogue about this, for example through target agreement meetings, personnel development meetings, trainee programme, group-wide job shadowing, talent programme, coaching and mentoring. Trainee programmes, Group-wide job shadowing, talent programmes, coaching and mentoring are some examples. The Real I.S. competence profile forms the basis for development.

### Percentage of employees receiving regular performance and career development reviews (GRI: 404-3)

All Real I.S. employees receive regular performance appraisals and development discussions are held.



### 3.2.2 Diversity and equal opportunities

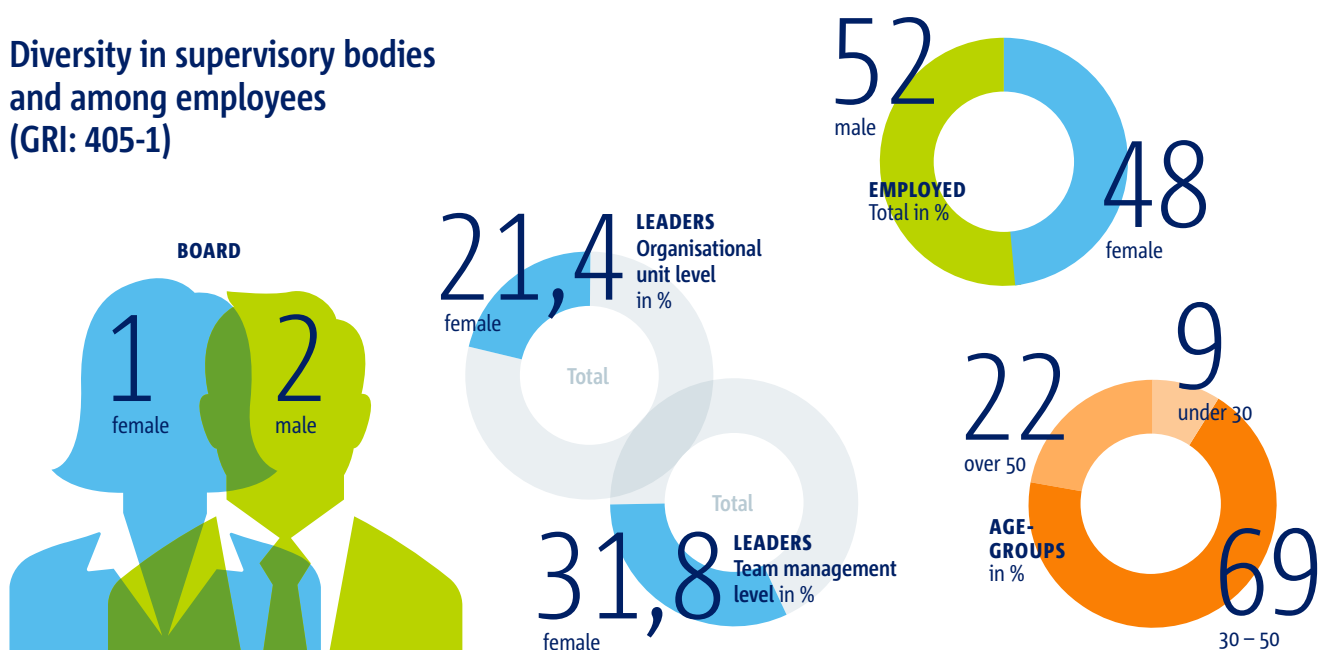
For Real I.S., this topic area means strengthening equal opportunities between men and women as well as diversity on the board and in management positions. Real I.S. is committed to equal opportunities and diversity and supports the reconciliation of private and professional life. The principles of cooperation are anchored in the Code of Conduct, among other things. It states that “Real I.S. promotes a working environment characterised by respect and tolerance. We respect the opinions of others. The consideration of employees’ rights is a matter of course for us”. As well as “Any form of discrimination or harassment of persons on the basis of age, gender, religion, world view, race, ethnic or social origin, disability or sexual identity and orientation is unlawful and will not be tolerated” and “We all bear responsibility for a culture characterised by mutual respect, appreciation of each individual and trust. We have formulated the special responsibility of managers separately in our Leadership Principles.” All new employees of the company sign this Code of Conduct and thereby declare that they have taken note of it and accept it as binding.

Real I.S. is a member of the German Real Estate Committee (ZIA, the umbrella organisation of the real estate industry) and thus declares the Diversity Code of the real estate industry to be binding. The ZIA understands diversity in the sense of the “Diversity Charter” to mean that all employees are valued – regardless of gender and gender identity, nationality, ethnic origin, religion or ideology, disability, age, sexual orientation and identity.

#### In order to promote diversity and equal opportunities in the company, Real I.S. uses various measures (GRI: 3-3):

- Regular trainings on the General Equal Treatment Act (AGG) are intended to raise awareness for the topics diversity and equal opportunities in the company,
- Cross-mentoring programmes and women’s networks are designed to promote diversity and equal opportunities at Real I.S. and throughout the industry. Real I.S. participates in BayernLB’s women’s network (#Fortschrittsfrauen). With the network, female employees have the opportunity to network, mutually and discuss the topics that move them. In this way, they can receive valuable impulses for their careers from each other. In addition, the Group offers targeted seminars that are explicitly aimed at female specialists and managers.
- Diversity indicators relating to gender, age and remuneration are recorded in order to assess the effectiveness of the diversity of the measures taken. These are reported directly to the Executive Board, which actively manages these issues.

### Diversity in supervisory bodies and among employees (GRI: 405-1)



### Diversity in supervisory bodies and among employees (GRI: 405-2)

	2022	2021	2020
Board of Directors	3	3	3
Thereof women	1	1	1
Thereof men	2	2	2
1st management level	14	13	14
Thereof women	3	3	3
Thereof men	11	10	11
Managers Team management level (2nd management level)	22	19	18
Thereof women	7	6	5
Thereof men	15	13	13
Angestellte insgesamt	273	237	228
Thereof women	130	115	110
Thereof men	143	122	118
Ratio of basic salary and remuneration	n/a	n/a	n/a
Incidents of discrimination and remedial action taken	0	0	0

### Ratio of basic salary and remuneration

of women to basic salary and remuneration of men (GRI: 405-2)

**Gender-Pay-Gap DOES NOT EXIST**

**REPORTING**  
to the Board of Directors and Remuneration Committee

### Discrimination incidents and corrective actions taken (GRI: 406-1)

There were **NO DISCRIMINATION CASES** in the year under review.

There is **ONE INTERNAL COMPLAINT IN PROCESS**

### 3.2.3 Health and safety

Companies have a responsibility to create a healthy and hazard-free working environment.

**To protect the health of their employees Real I.S. employs various measures (GRI: 3-3) to support this:**

#### Occupational health protection

- Vaccinations (e.g. flu protection)
- Eye test, VDU glasses
- Health Action Days
- Health seminar and sports offers
- Health rate survey: 96.5%
- Regular meeting of the occupational health and safety committee
- Prevention of negative effects of electrosmog

#### Ergonomics and workplace design

- Modern office space and ergonomically designed workplaces

#### Promotion of a healthy lifestyle

- Flexible working hours
- Work-life balance, among other things through Offer flexible working hours

#### Health & Safety Guide

In 2022, the internal guideline on employee health and safety (GRI: 403-6) was updated and expanded. The aim is to create a healthy, safe and pleasant environment for employees. The guideline forms the basis for the already implemented initiative (see below) around health and safety in the company and covers the following areas:

- Physiological aspects (e.g. group company doctor, sports facilities, visual, acoustic and thermal comfort at the workplace)
- Mental well-being (e.g. trust-based working time, hybrid working, time models for reconciliation) of professional and private life)
- Financial soundness (e.g. remuneration policy)
- Social well-being (e.g. corporate culture, transparency and open communication)



#### Occupational health services (GRI: 403-3)

The company doctor and the occupational health and safety specialist carry out site inspections at regular intervals, the results of which are recorded in an ASA log. In addition, a risk assessment was carried out and documented.

#### Employee participation, consultation and communication on occupational health and safety (GRI: 403-4)

Information on occupational safety and health protection is communicated via internal media

#### Employee training on occupational health and safety (GRI: 403-5)

- Health days and campaigns in cooperation with BayernLB (e.g. steps challenge)
- Evacuation helper
- First-aid training

#### Work-related illnesses and injuries (GRI: 403-9; GRI: 403-10)

There is no information on work-related illnesses and deaths due to work-related illnesses. Medical confidentiality applies.

#### 3.2.4 Room concepts

Real I.S. understands the topic of “spatial concepts” to mean promoting the health and well-being (GRI: 3-3) of employees through appropriate office space. Furthermore, these aspects are also considered for the properties managed by Real I.S. in the portfolios as far as possible.

The Real I.S. headquarters (Innere Wiener Strasse 17, Munich) was renovated and modernised. In the process, explicit attention was paid to creating spatial concepts that take into account the aspects of health, safety and well-being (GRI: 403-6).

In particular, improved acoustic, thermal and visual comfort and more attractive spaces that allow for better communication and social exchange will be created.



#### 3.2.5 Liveable urban neighbourhoods

The topic is becoming increasingly relevant because city districts and urban developments with a healthy mix of uses represent a diversified investment. Concepts and implementation strategies for the topics listed below will be developed and further expanded in the coming years (GRI: 3-3):

- Energy saving concepts (to be able to achieve energy savings at product level); GRI: 302-5) and water supply at neighbourhood level (GRI: 303),
- Automated sector coupling with decentralised and efficient energy solutions, smart applications, e-mobility,
- Social mix and mixed use,
- Involvement and promotion of the local social infrastructure, e.g. through participation,
- Promotion of health, among other things through attractive Footpaths and cycle paths, and reduction of noise and pollutant emissions,
- Greening and biodiversity (GRI: 304).



### 3.2.6 Human rights

Real I.S. is committed to the protection of human rights in several ways and has taken appropriate measures (GRI: 3-3) to implement these commitments:

- **Signing of the UN Global Compact (UN GC),**
- **Integration of the requirements of the UN GC, minimum safeguards according to the taxonomy and according to the supply chain policy (LkSG) into the sustainability agreement for service providers and suppliers (agreement in coordination, for more details see “Standards for service providers, supply chain”),**
- **Verification of compliance with the UN GC Principles within the framework of tenant exclusion lists (adoption of the directive planned for 2023),**
- **Regular training on the topic of compliance and Risk for all employees, also anchored in the onboarding process; regular AGG training Risk culture framework.**

The topic is of increasing importance for Real I.S., which is why the concepts pursued will be further advanced in the future and the reporting successively expanded.

As a matter of principle, Real I.S. does not conduct any business related to drug trafficking, human trafficking, sexual exploitation, exploitative child and forced labour (GRI: 408-1; GRI: 409-1), slavery, smuggling of migrants, organ trafficking, prostitution, pornography, product piracy.

Real I.S. respects the rights of its employees and protects them against discrimination of any kind. Any form of discrimination or harassment of persons based on age, gender, religion, ideology, race, ethnic or social origin, disability or sexual identity and orientation is unlawful and will not be tolerated.

#### **Standards for service providers, supply chain**

Real I.S. is committed to respecting and promoting fundamental human rights, fair labour conditions, fighting corruption and promoting sustainable development. Principle 3 of the UN GC explicitly states: “Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.”

Real I.S. also requires its suppliers to comply with environmental and social standards (GRI: 414-1). The authoritative document for this is the “Code of Conduct for contracted external service providers”, which is part of Real I.S.’s framework contract documents with external service providers and suppliers. The Real I.S. Code of Conduct states: “Real I.S. expects its suppliers and service providers to ensure fair working conditions in this sense and to grant their employees freedom of association and the right to collective bargaining. (GRI: 414-2). This Code of Conduct (from 2023: “Real I.S. Sustainability Agreement”) is currently being comprehensively revised in order to include, from 2023 onwards the right to freedom of association, collective bargaining and the instruction of security service providers (GRI: 410-1). As a subsidiary of Bayerische Landesbank, Real I.S. will be affected by the LkSG (German Supply Chain Obligations Act); some remuneration will be included in the new sustainability agreement.

#### **Regional providers**

Taking into account the fully consolidated business units with more than ten employees, i.e. the company’s headquarters in Munich, around 55% of the expenses are spent regionally (GRI: 204-1), i.e. in Upper Bavaria.

Real I.S. procures IT hardware and software, office equipment and materials, facility management as well as consulting and auditing services from suppliers and service providers. The suppliers and external service providers of Real I.S. are almost exclusively based in Germany, neighbouring European countries and Australia.

Neither the operating sites nor the suppliers are considered to pose a significant risk of child labour or the exposure of young employees to hazardous work (GRI: 408-1). They are not located in geographical regions that are considered to be risky in this respect, and national laws and regulations on employment must be complied with.

#### **Human rights training**

- Internal publication of the Code of Conduct and on the website
- Within Real I.S. itself, the employees are treated humanely. Real I.S. is not only bound by legal regulations like by the German Basic Law and the Youth Employment Protection Law, but also by their values and demands on themselves (see Code of Conduct).

### 3.3 Good corporate governance

#### Our responsibility for the 'G' of ESG, Governance

Real I.S. is committed to value-oriented, sustainable corporate governance, as it is convinced that economic value and values, law-abidingness and personal integrity as well as economic, legal and social responsibility together form the basis of entrepreneurial success and this is the foundation for generating long-term returns for investors. In this context, it is particularly important for Real I.S. to create transparency and a strong compliance culture in order to manage conflicts of interest and objectives.

Furthermore, the consideration of ESG criteria in investment decisions and risk management has a high priority for Real I.S.

Corporate governance is becoming increasingly important. For Real I.S., transparency, accountability, sustainability, efficiency, control and the avoidance of conflicts of interest are indispensable factors for successful corporate governance.

#### The following objectives are pursued (GRI: 3-3):

- Strengthen transparency, accountability and trust in corporate governance,
- Long-term profitability and economic viability,
- Increasing efficiency through digitalisation and innovation (e.g. optimisation of processes, costs and IT systems),
- Compliance with legal and regulatory requirements and guidelines,
- Creating long-term and lasting customer satisfaction to ensure successful customer relationships

#### › Corporate Governance Principles



#### 3.3.1 Economic performance

Real I.S. continues to aim for long-term profitability and economic stability in order to be able to absorb market fluctuations and expand its position as one of the leading real estate asset managers on the German market. (GRI: 3-3) The investment focus of Real I.S. is on countries with attractive long-term economic and political conditions or on locations with long-term rental growth potential. The resilience of Real I.S.'s business model is supported by the considerable diversification of its portfolio and the dependency risks it avoids.

Real I.S. achieves a strong economic performance through high quality standards and an economic approach that is focused on customers, employees and stakeholders. The employees of Real I.S. are an important success factor. We know from many years of experience that only a high level of commitment and quality will lead to the goal. For this reason, Real I.S. considers the motivation and strengths of its highly qualified employees to be the basis of the company's success and promotes them in a targeted manner. To support the economic growth of Real I.S., it examines a variety of ways to increase efficiency through the optimisation of processes, costs and IT systems as well as the use and evaluation of data in compliance with data protection regulations. Real I.S. achieves its goals through innovation in products and internal and external services, among other things. Real I.S. strives to continuously increase customer satisfaction or to consolidate it at a high level. Real I.S. continues to develop its open, active and solid corporate culture into a more collaborative and innovative form of cooperation – both among employees and in cooperation with customers and partners. Real I.S. uses digitalisation and innovation for systematic and structural change. The aim is to create the basis for improved operational efficiency through digital processes and procedures.



Real I.S. closes the 2022 financial year with an annual result (GRI: 201-1) before profit transfer of EUR 31.3 million (2021: EUR 26.6 million). More detailed information can be found in the publicly accessible annual financial statements of Real I.S., which are published in the official company register. The regular recording and reporting of financial key performance indicators (KPIs) is used as a control instrument for the economic performance, with the help of which the Executive Board ensures and proactively manages the economic situation of the company.

In addition, the Compliance Department of Real I.S. ensures compliance with internal and external rules and protects the company from fraudulent actions. The economic situation is regularly audited by an independent auditor and monitored by BaFin and other external stakeholders.

Real I.S. primarily offers defined contribution pension plans. Information on individual pension plans (GRI: 201-3) can be found in the annual financial statements of Real I.S., which are published in the official company register.

### 3.3.2 Compliance

Real I.S. understands compliance to mean establishing, following and monitoring internal rules of conduct as well as acting in accordance with legal and supervisory regulations. The tasks of compliance consist of the creation of a uniform understanding of values and integrity and the avoidance, examination and sanctioning of irregular behaviour to meet legal and regulatory requirements. Real I.S.

sees itself as a responsible group of companies that strives to fulfil the applicable legal obligations while respecting the corporate values. Real I.S. operates in a highly regulated environment that requires a solid compliance culture. The goal in this area is the constant further development of compliance management to meet stakeholder expectations and strengthen economic performance. The relevance of the topic of compliance is therefore also driven by the expectations and demands of stakeholders, who require responsible and compliant behaviour from Real I.S..

Real I.S. reacted to the increased external demands years ago, both at the organisational and procedural level, and continuously expanded the area of responsibility of Compliance: The avoidance, examination and sanctioning of breaches of regulations are important tasks of this area. It ensures a reliable market presence of Real I.S. that is characterised by compliance with legal and regulatory requirements and protects it from unlawful acts. In addition to combating money laundering, economic crime and terrorist financing, the tasks also include combating corruption and bribery (GRI: 205). Reputational risk management is the responsibility of the company's risk management organisation. The aim is to support and implement legal, corporate, social and ethical guidelines and values at Real I.S. Both areas are the responsibility of the Deputy Chairman and they report regularly to the Executive Board and the Supervisory Board on the relevant topics. Corresponding issues may also include risky business activities that fall within the scope of existing ESG standards and guidelines regarding environmental or social topics.



**Real I.S. has established various instruments to ensure compliance with internal and external rules (GRI: 3-3):**

- The guidelines contained in the Compliance Manual are the framework for the conduct of internal and external employees of the Real I.S. Group. They are intended to help internal and external employees raise awareness of (potential) conflicts of interest and problematic constellations, provide orientation and show ways to avoid or solve (potential) conflicts of interest.
- In addition, Real I.S. has developed an internal code of conduct. This is the normative guideline for all employees in order to secure the most important corporate goal – long-term economic success in harmony with social responsibility.
- In order to comply with and implement the internal compliance codes and the legal and regulatory requirements, we in the view of Real I.S., it is important to carry out regular mandatory training (GRI: 205-2). All new employees receive mandatory compliance training at the beginning of their employment and are required to comply with these regulations. All employees must complete a self-study refresher course on the company's internal compliance standards at least every two years.
- Another instrument is the whistleblower system. This offers the possibility for employees to report incidents via the intranet. Contact the Compliance Officer using an anonymous reporting form. In addition, it is possible to submit a report to the Compliance Officer anonymously via a sealed envelope or externally via the e-mail address [compliance@realisag.de](mailto:compliance@realisag.de). The employees of the Real I.S. Group are required to report any compliance-relevant facts to the Compliance Officer without delay, while guaranteeing confidentiality. Information about legal and compliance violations or risks of legal violations can be submitted via the whistleblower system while maintaining one's own anonymity.

In order to avoid corruption, conflicts of interest, facilitation payments and to protect the company's assets, superiors conduct an annual suitability assessment together with the respective employees. In this context, the personal qualification to avoid corruption is confirmed by the respective manager. Furthermore, compliance with the principles for awarding contracts is confirmed in writing. In addition, Compliance carries out its own 2nd level controls regarding compliance with the requirements.

The Board of Directors of Real I.S. is also involved in the issue by adopting the principles set out in the Compliance Manual and promoting their observance through a clear commitment.

**Audit of corruption in business premises**

A special compliance and money laundering audit of the subsidiaries, foreign branches and majority shareholdings (GRI: 205-1) is carried out using a structured questionnaire (every two years).

In the reporting year, the control was carried out using a structured questionnaire for the Real I.S. subsidiaries in Luxembourg, Australia and France.

PM GmbH and the branches in Spain and the Netherlands will follow in January 2023.

**Anti-corruption communication and training**

According to the training concept of the Real I.S. Group, the compliance standards of Real I.S. are to be refreshed by all employees in a self-study at least every two years. (GRI: 205-2)

In the reporting year, a review of the participation in compliance training (incl. corruption prevention) of all new employees was carried out. Checking the adequacy and effectiveness of the precautions to ensure the reliability of the employees and the completeness of the annual confirmation of the employees that the internal compliance requirements and requirements for awarding contracts have been observed.

New employees are trained after onboarding by means of online training. Participation is mandatory.

**Confirmed cases of corruption and measures taken**

No cases of corruption became known in the reporting year (GRI: 205-3).

**Legal proceedings based on anti-competitive behaviour, cartel and monopoly formation**

In the reporting year, the Compliance department is not aware of any legal proceedings due to anti-competitive behaviour or violations of anti-trust and monopoly law (GRI: 206-1).

### Tax concept

BayernLB's Group Tax Policy defines the strategic and cultural orientation of the Group in tax matters (GRI 207-1) as well as the responsibilities of the subsidiaries with regard to tax issues. Accordingly, Real I.S. must comply with the obligations resulting from the fiscal unity with BayernLB.

Real I.S. is in contact with both internal and external stakeholders in connection with this issue.

Internally, employees are regularly trained in this area and advised on the interpretation of and compliance with legal and regulatory requirements, internal and external guidelines and standards (e.g. product standards).

In addition, the management of Real I.S., the Supervisory Board and Group Compliance of BayernLB are informed by means of regular reporting on incidents and the effectiveness of measures taken in the area of compliance.

- Externally, Real I.S. maintains a constant exchange with BaFin and informs it of significant incidents in the company.
- The compliance officer carries out due diligence activities in the context of an assessment, regular review and evaluation, take appropriate action where necessary and remedy any deficiencies in the effectiveness of the policies and arrangements and procedures put in place to fulfil the obligations set out in the Capital Investment Law.
- The tax strategy of Real I.S. is a clear value decision in favour of compliance with the law in the area of tax law and for freedom from tax abuse in all of Real I.S.'s business activities.
- Real I.S. does not pursue an "aggressive" tax avoidance strategy.

### Tax governance, control and risk management

- The responsibility for fiscal affairs is the overall responsibility of the management of each company in the Real I.S. Group as well as the management of the fund and property companies. (GRI: 207-2)
- The adequacy and effectiveness of the Tax CMS is assessed as part of the compliance monitoring and verification process.

- The internal audit function (OER) is an internally independent body that audits tax compliance (third-level control in the sense of PIKS). The audit covers compliance with applicable legal regulations on the one hand and the effectiveness and appropriateness of the compliance standards on the other.

- Incidents or suspected cases of tax misconduct can also be reported internally by means of the Compliance Department's communication channels (whistleblowing system).

### Stakeholder engagement and management of fiscal concerns

- Real I.S. maintains cooperative relationship with the tax authorities and public authorities, while safeguarding their own interests. (GRI: 207-3)
- Information to authorities should always be complete, open, accurate and timely, and shall be made available in an understandable.

### Country-by-country reporting

Country-by-country reporting in accordance with Section 26a (1) Sentence 2 of the German Banking Act as at 31 December 2022 (GRI: 207-4) is carried out by BayernLB. It can be found in the "BayernLB Annual Report 2022 – Consolidated Financial Statements" on p. 313.

### Non-compliance with laws and regulations

Compliance is not aware of any legal proceedings for non-compliance with environmental protection laws/regulations in the reporting year (GRI: 2-27).

Compliance is also not aware of any fines or non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic sphere.

### Party donations

Donations must be within the scope of the legal system and are approved by the company management. They may only be given to non-profit institutions.

The Real I.S. Group does not make any direct or indirect donations to political organisations, parties or individual political figures. (GRI: 415-1)

### 3 We go about it

#### Violations in product and service information

No violations in connection with product and service information and labelling came to light in the reporting year. (GRI: 417-2)

#### Marketing and communication violations

In the reporting year, no violations related to marketing and communication came to light. (GRI: 417-3)

#### Data protection

Substantiated complaints regarding breaches of customer data protection and loss (GRI: 418-1):

- No substantiated complaints have been received regarding the violation of customer data protection, neither with regard to external parties nor to supervisory authorities.
- There were also no identified cases of data theft and data loss related to client data,
- no substantiated complaints were identified.

### 3.3.3 Customer satisfaction

The customer is at the centre of our actions (GRI: 2-29) and his satisfaction is the goal of all our activities. The quality of Real I.S.'s services is in the foreground, and our actions are geared towards long-term and sustainable customer relationships. Customers are treated as equals and a balance is struck between their requirements and the interests of Real I.S. A customer relationship has two sides and must offer an advantage for both sides. Real I.S. wants to live up to the trust of investors, whose investments we manage responsibly and profitably, and business partners, as well as the public and the trust of BayernLB, of which Real I.S. is a 100% subsidiary.

- Once a year, a major information event is held on current topics, to which customers can attend. invited by Real I.S.
- The company regularly takes part in award competitions such as the "Immobilienmanager Award". and the "Scope Award" (nomination 2022). Real I.S. is audited annually by Scope Analysis GmbH (current rating: AA+), which also assesses aspects relating to customer relations.

#### Real I.S. is in intensive exchange (GRI: 3-3) with its institutional investors and the customers' advisors (sales partners).

#### › Asset management rating from Scope with a value of AA+

- This is done actively through points of contact via personal service, a telephone service hotline and other services. There is a complaints management system which is monitored and presented to the Board of Real I.S.
- The clients of Real I.S. are regularly (at least as stipulated in the investment conditions) actively informed about the most important key figures and contents of the investment. This is done by means of written communication and a shareholders' meeting or investment committee meeting.
- The company informs the public in a structured way about its products and its own business development.

- As part of an annual survey, customer satisfaction is assessed among institutional investors and the advisors of Real I.S.'s private clients. The determined level of satisfaction is included in the target achievement of the Board of Directors and the employees.

The individual ratings for profitability and service level have improved slightly but almost across the board compared to the previous year; in recent years there has been an almost continuous improvement, also with regard to economic satisfaction. This essentially confirms the corporate strategy, the service level and the transparent communication in line with Real I.S. values.

## 4 Further information

### 4.1 Notes on the report

#### Redisplay of information

This sustainability report (according to GRI) was first published in this form by Real I.S. for the calendar year 2021. This report for the calendar year 2022 is an update of the previous report. New information was taken over due to the revision of the GRI standard; there were no corrections or new information for the previous year's report within the meaning of GRI: 2-4.

#### Change in reporting

Material topics: There are no significant changes (GRI: 3-2) in the list of material topics and their boundaries compared to the previous reporting period, neither are there any changes in activities and business relationships, nor are there any GRI industry standards (GRI: 3b) available at the time of report publication that could open up a changed range of material topics.

#### Reporting period

The Sustainability Report 2022 (with reference to GRI) basically refers to the calendar year 2022 (GRI: 2-3). The annual financial statements of Real I.S. are also prepared for the calendar year.

The annual financial statements of Real I.S. AG and Real I.S. GmbH (audited on 13 February 2023) were submitted to the Federal Gazette on 28 April 2023 and published on 28 June 2023 (Real I.S. AG) and 29 June 2023 (Real I.S. GmbH). This sustainability report was published on 30.05.2023.

#### Date of the previous report

This Sustainability Report (with reference to GRI) was published in this form for the first time by Real I.S. as of 30 May 2022 (GRI: 2-3).

#### Contact for questions about the report

Ms Giulia Peretti, Head of Sustainability at Real I.S. AG, will be happy to answer any questions or suggestions (GRI: 2-3):

Giulia Peretti  
Innere Wiener Straße 17  
81667 Munich  
E-mail: [esg@realisag.de](mailto:esg@realisag.de)

Information on the topic of sustainability/ESG and relevant documents can be found on the company website at [www.realisag.de/en/about-us/sustainability](http://www.realisag.de/en/about-us/sustainability)

#### Reporting statement

This report has been prepared "with reference to" the GRI Standards.

#### GRI Content Index

The table of contents of this sustainability report (with reference to GRI) also represents the GRI content index.

#### External examination

The sustainability report was not externally validated (GRI: 2-5). However, significant information for the balance sheet was taken from publications that were subject to an external audit. This includes economic information and key figures from the annual financial statement of Real I.S. from 2022, which is published in the official company register.



## 4.2 4.2 GRI Content Index by reference

**Application note**

Real I.S. has reported the information mentioned in this GRI Index for the period 01.01.2022 – 31.12.2022 with reference to the GRI Standards.

GRI 1 **used**: Basics 2021

GRI Standard	Indication	Page
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201-3	Defined benefit plan obligations and other retirement plans	41
<b>204</b>	<b>Procurement practices (2016)</b>	
204-1	Proportion of spending on local suppliers	39
<b>205</b>	<b>Anti-corruption (2016)</b>	41
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<b>206</b>	<b>Anti-competitive behaviour (2016)</b>	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	42
<b>207</b>	<b>Taxes (2019)</b>	
207-1	Approach to tax	43
207-2	Tax governance, control and risk management	43
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2-12	Role of the highest governance body in overseeing the management of impacts	9

GRI Standard	Indication	Page
2-13	Delegation of responsibility for managing impacts	10
2-14	Role of the highest governance body in sustainability reporting	10
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2-19	Remuneration policy	8, 11
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2-8	Workers who are not salaried employees	8
2-9	Governance structure and composition	9

## 4 Further information

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302-3	Energy intensity	30
302-4	Reduction of energy consumption	30
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<b>303</b>	<b>Water and Effluents (2018)</b>	38
<b>304</b>	<b>Biodiversity (2016)</b>	38
<b>305</b>	<b>Emissions (2016)</b>	
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305-2	Energy indirect GHG emissions (Scope 2)	25, 26
305-3	Other indirect GHG emissions (Scope 3)	25, 26
305-4	GHG emission intensity	26
305-5	Reduction of GHG emissions	27
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409-1	Operations and suppliers with significant risk for incidents of forced or compulsory labour	39
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